

Adopted | Budget

2013



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January 2013

To: Sound Transit Board of Directors
From: Joni Earl, Chief Executive Officer
SUBJECT: Adopted 2013 Budget

Sound Transit is on a mission.

The job voters gave us in 1996 and then again in 2008 is to plan, build, operate, and then extend our regional transit system. That mission becomes clear when seen through the pages of our 2013 budget.

In 2013, we expect to carry more than 28 million passengers, and we'll continue expanding light rail projects north, east, and south. At the same time, we'll maintain our focus on customer service, sustainability, and transit-oriented development.

Total spending for delivering projects is budgeted at \$706 million, which allows us to continue the planning, design, and build out of the regional transit system. Our service delivery budget is up 5.5 percent to \$212 million, mainly driven by higher purchased transportation, services contracts, and the cost to extend Sounder service to South Tacoma and Lakewood. Department budgets are up 4.6 percent to \$92 million. In response to the continued modest economic growth, the adopted 2013 budget makes a number of reductions to department costs such as consulting, temporary services, and advertising.

The economy, while growing, continues to expand slower than our independent economic forecasts anticipated. As a result, our 2012 tax revenue is projected to be just below budget by 0.1 percent. The 2013 total revenue budget is 1.3 percent higher than 2012 at \$836.1 million, mainly due to anticipated higher federal grant receipts and farebox revenues.

Over the longer term, through 2023, our updated tax revenue forecast projects a total 5 percent decline from the level than was forecast in 2012, a loss of \$700 million versus our estimate last year. Given the tighter revenue situation, we have reduced lifetime budgets for Research & Technology, Fare Administration, and certain operational contingencies. Our 2013 budget review with the Board examined these proposed reductions to ensure consistency with their long-term policy goals. We will manage our long-term capital program through this period of high economic uncertainty, carefully reviewing current risks. Our goal remains to deliver as much of the ST2 program as possible, consistent with our available resources.

Sound Transit has four major themes for 2013.

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Increasing ridership

We expect to provide a combined 886 thousand hours of service on our trains and buses in 2013. We'll also work to build and retain ridership using research, marketing, capital and service improvements. New service on the Sounder South Line will also provide opportunities to increase ridership.

Reducing operating and capital costs

To reduce costs, we'll pursue further service integration opportunities and look to increase efficiencies with the partner transit agencies that operate our bus and train services.

Delivering capital projects on time and within budget

We'll search out different methods to help contain costs. We'll also engage in value engineering and implement transit-oriented development policies and strategies.

Maintaining nimble, efficient business processes and systems

We'll establish a comprehensive agency-wide approach to improve the way we do business internally.

2012 Achievements set the stage for 2013

While looking forward to 2013, we should also give a nod to 2012.

- In 2012, we carried about 28 million riders, an increase of 12% over 2011.
- We finished construction on the D-to-M Streets project, which allowed us to extend Sounder service to South Tacoma and Lakewood in October.
- The tunnel boring machines completed mining the University Link twin-bore tunnels and the start of service remains on schedule for 2016.
- Construction kicked off on the Northgate Link light rail extension, we worked in collaboration with the City of Bellevue on the final design of the East Link project and we awarded a design/build contract to extend light rail from Sea-Tac Airport to South 200th Street.
- We were very pleased that even in this challenging economic environment, the nation's major bond credit rating agencies maintained Sound Transit's high ratings, and that meant significant savings for taxpayers when we refinanced \$350 million of our outstanding bonds. Sound Transit is one of the highest-rated transit agencies in the nation.

Highlights of 2013

The 2013 budget includes funding for these major Link light rail projects:

- Construction of U-Link from downtown Seattle to the University of Washington.
- Early demolition and construction for Northgate extension.
- Design-build work to extend light rail south of Sea-Tac Airport to South 200th Street.
- Advance environmental process for light rail extensions from South 200th Street to Federal Way and from Northgate to Lynnwood.
- Final design and early property acquisition for East Link extension.

As you can see, we have a full calendar of construction and services planned for 2013 and I'm looking forward to working with the Sound Transit Board and staff on another successful year.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Puget Sound Regional Transit
Washington**

For the Fiscal Year Beginning

January 1, 2013

Executive Director

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Agency Overview

Our Story

Sound Transit plans, builds, and operates a regional mass transit system that connects people to their communities and jobs throughout urban areas of King, Pierce, and Snohomish counties.

The Central Puget Sound Regional Transit Authority – better known as Sound Transit – was created by the Washington State legislature. In 1996, voters in the region approved implementation of the Sound Move plan. Since that time, we've grown from a planning agency to one that carried 25.1 million passengers in 2011, 28.0 million passengers in 2012, and is expected to carry 28.3 million passengers in 2013 on our trains and buses. We continue building extensions to light rail, transit centers, stations and other transportation infrastructure.

ST Express bus service began in 1999, joined by Sounder commuter rail in 2000. Light rail started with Tacoma Link in 2003 and Central Link light rail began service in 2009.

And more is on the way.

In 2008, Central Puget Sound voters approved Sound Transit 2 (ST2), a mass-transit expansion proposal to add 36 miles of light rail. Work is underway to extend light rail north and east of Seattle and south of the airport. The plan also called for additional Sounder service in our south corridor plus various access improvements around the region.

Safeguarding Tax Dollars

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

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

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

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

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

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



Pat McCarthy, Sound Transit Chair
Pierce County Executive

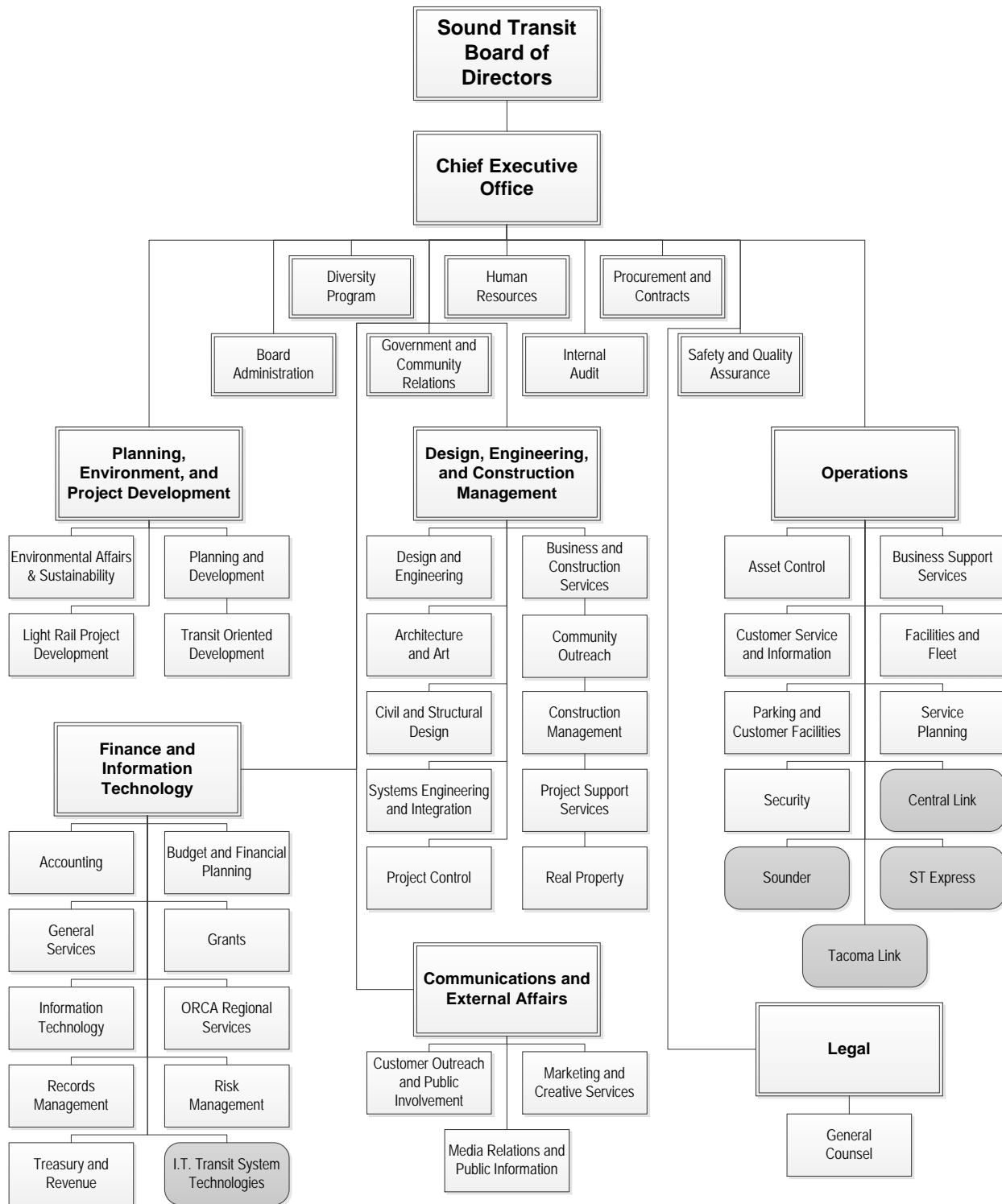
Our People

Sound Transit's departments are organized in a way that ensures taxpayer dollars are aligned with our mission of planning, building, and operating the regional transit system.

- Executive Department includes the Chief Executive Office as well as Board Administration, Government & Community Relations, Human Resources, Procurement & Contracts, Diversity, Safety and Quality Assurance, and Internal Audit.
- Planning, Environment, and Project Development (PEPD) leads the initial project activities that engage the public and inform Board decisions on projects' scope, schedule, and budget. Our sustainability and transit-oriented development programs are led by PEPD.
- Design, Engineering, and Construction Management (DECM) is principally responsible for final design and construction of all major capital projects. DECM supplies professional and technical resources throughout the design and construction phases of each project and also supports the Operations department in design and delivery of small capital projects for our facilities. The department provides project control and real estate services for the entire agency.
- Operations oversees transit service and maintenance for Central Link light rail, Sounder commuter rail, ST Express bus, and all Sound Transit facilities plus Security. We also directly operate and maintain Tacoma Link light rail.
- Finance and Information Technology (FIT) is responsible for all financial activities including financial planning, budgeting, accounting, treasury, revenue collection, grants, and risk management, as well as managing information technology. The Information Technology division manages the implementation of new technology and maintains our network and software for both transit operations and administrative systems. The IT Transit Systems division maintains the regional fare collection system (ORCA) and ticket vending machines.
- Communications and External Affairs (CEA) focus on marketing and creative services, media relations and public information, and customer outreach and public involvement.
- Legal provides analysis and advice on a variety of legal subjects including real estate, labor, environmental, construction, land use, permitting, litigation, contracts and interagency issues. They are actively involved in claims defense and property acquisitions including condemnations.

For more information on all our departments, see the Agency Administration section.

SOUND TRANSIT ORGANIZATION CHART



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

Our Key Financial Policies

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

Financial Policies

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

The Sound Transit district is divided into five subareas based on geography: North King, South King, East King, Pierce, and Snohomish counties. Tax revenues raised in each subarea are used for projects and services benefiting that subarea.

The policies cover implementation of subarea equity and debt management for current and future phases. The full document can be found in Appendix G.

Budgeting Policies

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

Phase Gate

Phase Gate is a project management process requiring periodic project reviews. The process is designed around a series of eight defined gates. Gates represent key transition and/or decision points in a project's progression through planning and environmental review, design, construction, and transition to operations. Management and staff representatives throughout the agency review all aspects of a project including budget, schedule, risk mitigation, design, and operational startup plans to determine if the project is ready to advance. The process ensures that the Board and public have visibility into project scope, schedule, and budget through routine staff reporting. And, the process gives the Board control over key project decisions – specifically approval of budget and project scope.

Basis of Budgeting and Accounting

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

Balanced Budget

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

Enterprise Fund

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

Financial Plan

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

Procurement

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

Our Business Planning and Reporting

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

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

Performance relative to the adopted budget is presented to the Audit Reporting Subcommittee and is published in the agency's Quarterly Report. Capital program performance is detailed in the Agency Progress Report.

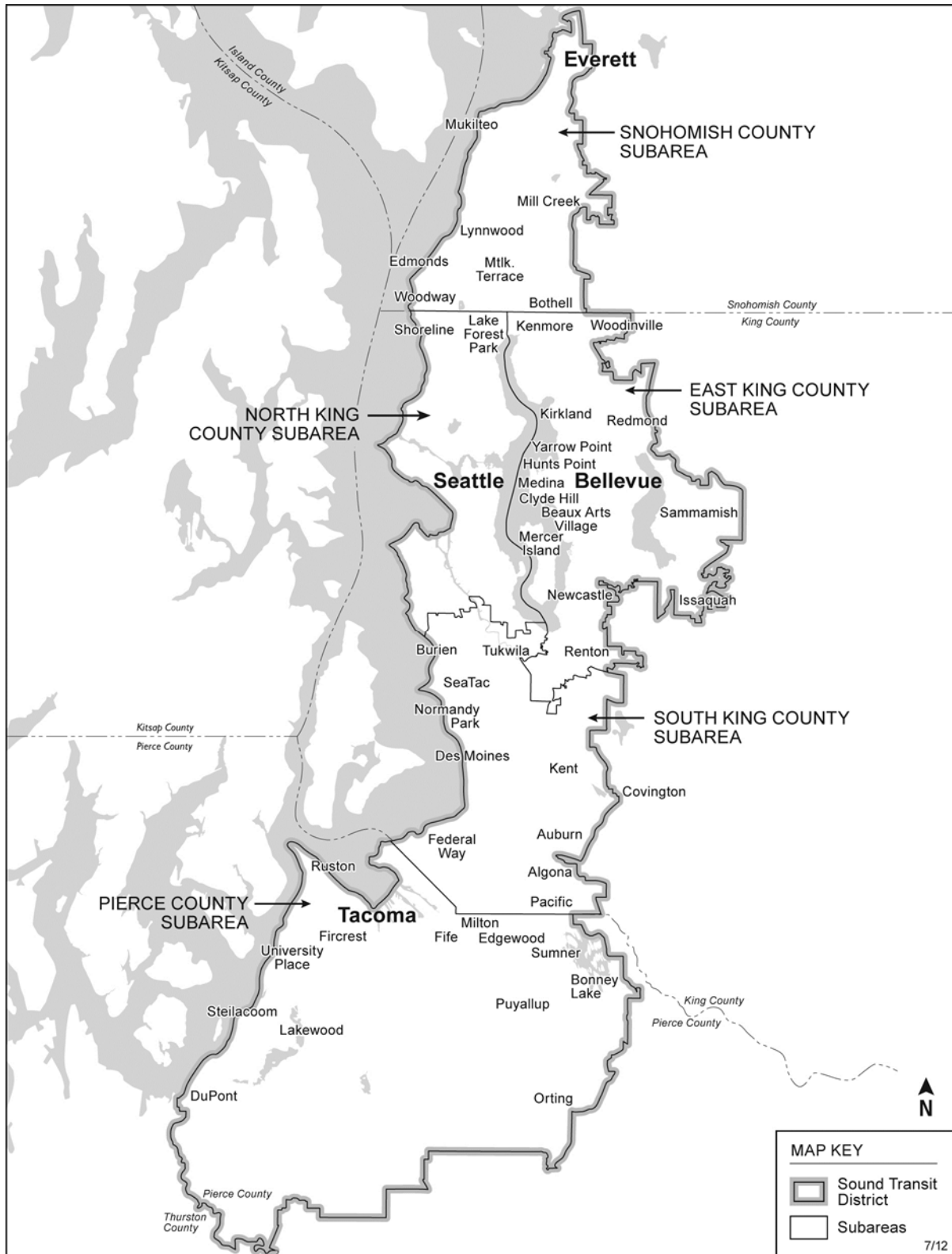
Quarterly Reports, Agency Progress Reports, and the agency's milestones are available at www.soundtransit.org

Sound Transit District

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

To learn more about Sound Transit, our district, and how we're organized, please visit www.soundtransit.org.

SOUND TRANSIT DISTRICT



Budget Overview

Sound Transit continues to focus on building out the Central Puget Sound Regional Transit System, particularly light rail. We are maturing as a transit operator with an expanding number of facilities and vehicles and equipment to maintain. Sounder service is increasing from Seattle to Tacoma and Lakewood in 2013. Our light rail service from downtown Seattle to University of Washington and from Sea-Tac Airport to South 200th Street will launch in 2016. In addition to supporting the agency's project and service plans directly, the 2013 budget includes funding for initiatives that target our strategic priorities and enhance our ability to effectively and efficiently achieve our mission.

The Budget Overview provides a summary of revenue, service delivery, project delivery, and administration budgets for 2013. Included in this section are Sound Transit's 2013 priorities and initiatives and a look ahead at actions planned to address specific risks and opportunities.

2013 Priorities and Initiatives

In 2013, we'll continue our mission of planning, building, and operating the regional transit system. We'll give an increasing number of transit riders safe and reliable service. We'll maintain a focus on customer service, sustainability, and transit-oriented development. And we'll work more efficiently to reduce costs where possible while delivering projects on time and within budget.

Increase Ridership

- Build and retain ridership by implementing strategies based on 2012 research results, including marketing, capital, and service improvements, and leveraging industry best practices.
- Implement the *parking and access* policy and management strategies adopted by the Sound Transit Board in 2012.
- Increase Sounder service between Seattle and Lakewood and complete a full year of Tacoma to Lakewood service.

Reduce Operating and Capital Costs

- Pursue opportunities to further integrate service and further increase efficiency in the delivery of the regional transit system.
- Implement Enterprise Asset Management System for Central Link, Tacoma Link, Sounder, and ST Express operations.
- Execute Agency Sustainability Plan and achieve sustainability milestones.
- Issue first annual Financial Sustainability Report.
- Implement the new health benefit plan and strengthen employee engagement in wellness activities.



Deliver Capital Projects on Time and within Budget

- Continue pursuing *alternative project delivery* methods, when appropriate, to maximize schedule efficiencies and savings.
- Develop agency *total cost of ownership* policy.
- Strengthen and enhance *value engineering* program.
- Implement transit oriented development policy and strategy.

Maintain Nimble, Efficient Business Processes and Systems

- Establish a comprehensive approach to *process improvement* agencywide.
- Develop *employee engagement and feedback* program.

2013 Budget Highlights

The 2013 Sound Transit budget includes revenues of \$836 million and outlays of \$1.1 billion. The agency's unrestricted cash balance was \$634 million at the end of 2012, will fund the difference of \$215 million between annual revenues and expenses, yielding a projected unrestricted cash balance of \$418 million at the end of 2013.

Revenues

We expect to collect \$836.1 million in 2013, which is 1.3 percent more than the 2012 budget – mainly due to higher farebox revenues and federal grant receipts.

Service Delivery

Total service delivery budget is up 5.5 percent to \$212 million compared to the 2012 budget, driven by cost increases in third party contracts, increased Sounder service, and higher allocations of administrative expenses.

Project Delivery

Total project spending is budgeted at \$706 million to continue planning, design, and build out of the regional transit system and enhance current service and operational capabilities.

Agency Administration

In 2013, the budget for departmental expenses is \$92 million, a 4.6 percent increase from the 2012 budget. After direct charges and allocations, net agency administrative expenses are budgeted at \$26.9 million. Debt service is budgeted at \$106.3 million.

2013 BUDGET SUMMARY
(in thousands)

	2011 Actual	2012 Amended	2012 Actual	2013 Adopted
Revenues and Other Financing Sources				
Retail Sales and Use Tax	528,022	557,781	552,865	560,007
Motor Vehicle Excise Tax	65,893	70,051	66,141	67,522
Rental Car Tax	1,958	2,533	2,528	2,638
Federal Grants	168,717	131,316	122,221	136,789
Farebox Revenue	46,118	44,810	54,062	52,461
Interest Income	20,875	8,162	12,113	5,649
Miscellaneous Revenue ¹	20,027	11,000	14,703	11,078
Total Revenues & Other Financing Sources	\$851,609	\$825,653	\$824,633	\$836,143
Operating Expenses & Capital Outlays				
Service Delivery				
Tacoma Link Light Rail	3,514	4,112	4,033	4,287
Central Link Light Rail	49,817	54,412	53,831	57,772
Souder Commuter Rail	32,062	37,514	34,463	40,152
ST Express Bus	96,715	103,477	100,486	109,739
Contingency	-	1,455	-	-
Subtotal Service Delivery	\$182,107	\$200,972	\$192,814	\$211,950
Project Delivery				
System Expansion				
Link Light Rail	409,587	435,894	339,538	496,669
Souder Commuter Rail	92,390	194,612	107,511	91,065
Regional Express	39,103	24,136	7,850	33,277
Other	3,624	11,151	1,860	25,022
System Expansion Total	544,705	665,793	456,759	646,034
Enhancement	5,246	26,499	5,868	23,631
Rehabilitation & Replacement	28,668	40,148	32,596	31,476
Administrative Projects	3,928	6,232	3,439	5,051
Subtotal Project Delivery	\$582,547	\$738,672	\$498,662	\$706,191
Agency Administration				
Departments				
Departments	72,209	87,969	79,559	91,982
Less: Direct Charges to Project Delivery	(19,470)	(26,657)	(26,657)	(29,553)
Less: Allocations to Service Delivery	(12,594)	(11,285)	(13,127)	(13,609)
Less: Allocations to Capital Assets	(14,687)	(20,429)	(20,429)	(21,885)
Net Department Expenses	\$25,459	\$29,598	\$19,346	\$26,934
Debt Service	75,899	94,320	94,320	106,276
Subtotal Agency Administration	\$101,358	\$123,919	\$113,667	\$133,211
Total Operating Expenses & Capital Outlays	\$866,011	\$1,063,563	\$805,142	\$1,051,352

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

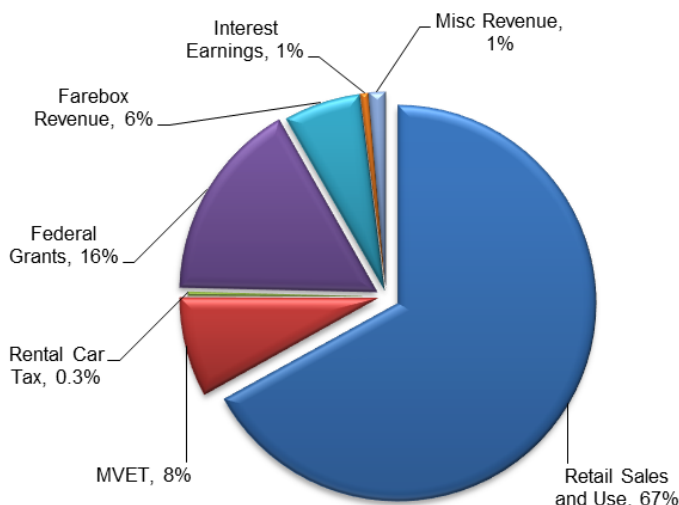
Revenues and Other Financing Sources

Funding for Sound Transit's operations and capital programs comes from local retail sales and use tax, motor vehicle excise tax (MVET), rental car tax, federal grants, farebox revenue, interest income on cash balances, bond issues, and miscellaneous revenues such as advertising on our vehicles and property rental. Our sales and use tax and MVET revenue forecasts are calculated using estimates provided by an independent forecaster. However, for our 2013 and future revenue forecasts, we adjusted our growth expectations downward to align with historical rates and those of other agencies in our region.

The agency's unrestricted cash balance was \$634 million at the end of 2012, will fund the difference of \$215 million between revenues and expenses in 2013. The unrestricted cash balance is projected to be \$418 million at the end of 2013.

2013 Highlights

- We expect to collect \$836.1 million in total revenues, which is 1.3 percent higher than the 2012 budget – mainly due to higher farebox revenues and federal grant receipts.
- The 2013 revenue budget is 1.4 percent or \$11.5 million higher than 2012 receipts mainly due to higher sales tax and federal grant receipts.
- Sales taxes of \$560 million are projected to increase a modest 0.4 percent over the 2012 budget and 1.3 percent over 2012 receipts.
- Higher levels of construction activity on Link projects will drive a \$5.4 million increase in federal grant receipts over the 2012 budget and a \$14.6 million increase over 2012 receipts.
- Farebox revenues are projected to be \$7.6 million or 17.1 percent higher than the 2012 budget due to an increase in ridership and higher average fare per boarding driven by higher pricing on ORCA business accounts.



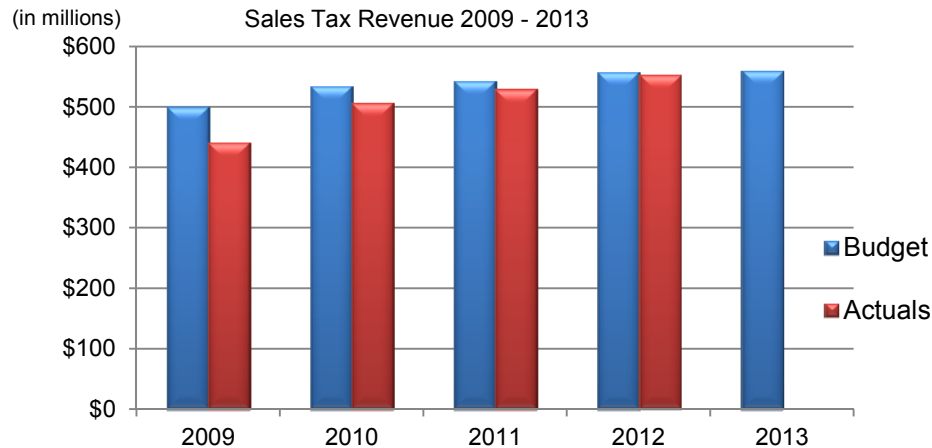
REVENUES AND OTHER FINANCING SOURCES

(In thousands)

Retail Sales and Use	560,007
MVET	67,522
Rental Car Tax	2,638
Federal Grants	136,789
Farebox Revenue	52,461
Interest Earnings	5,649
Misc Revenue	11,078
Total	\$836,143

Retail Sales and Use Tax

- Sound Transit's largest revenue source at 67 percent of total revenues, with \$560 million expected in 2013.
- Sales & Use Tax receipts are expected to be 0.4 percent higher in 2013 than the 2012 budget due to a projected modest increase in consumer spending.
- Sound Transit receives 0.9 percent of transactions subject to sales and use taxes generated within the Sound Transit district.



Motor Vehicle Excise Tax (MVET)

- Receipts are expected to be lower at \$67.5 million, down by \$2.5 million or 3.6 percent compared to the 2012 budget.
- Sound Transit receives 0.3 percent of vehicle license renewals within the Sound Transit district.

Rental Car Tax

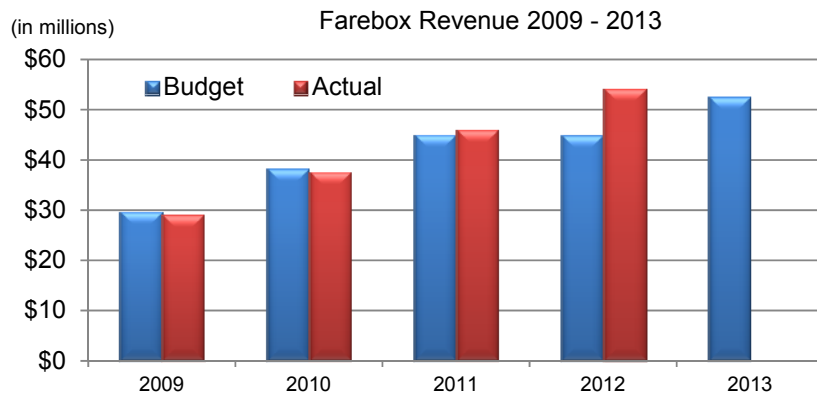
- 2013 budget is \$2.6 million or 4.1 percent higher than the 2012 budget.
- Sound Transit receives 0.8 percent of rental car payments within the Sound Transit district.

Federal Grants

- Federal grant funding for 2013 is expected to be \$136.8 million with the majority driven by three projects:
 - University Link construction, \$90 million.
 - East Link final design, \$25 million.
 - Northgate Link Extension final design, \$5 million.

Farebox Revenue

- Fare revenues from ST Express, Central Link, and Sounder services are projected at \$52.5 million – up 17.1 percent over 2012 budget.
- No fares are currently collected for Tacoma Link service.
- Average fare per boarding assumptions for the 2013 budget are:
 - Central Link, \$1.53.
 - Sounder, \$3.28.
 - ST Express, \$1.93.
- No fare increases are planned for 2013, though analysis of instituting fares on Tacoma Link will be prepared for the Board's consideration.



Interest Earnings

- Due to a reduction in cash balances available to invest and continued low interest rates on the types of investments the agency makes, interest earnings are expected to be lower than in 2012.
- \$5.6 million is projected for 2013, down \$2.5 million or 30.8 percent compared to the 2012 budget.

Miscellaneous Revenue

- Miscellaneous revenues include advertising revenues, rental income from Sound Transit properties, and contributions from state and local governments. The 2013 revenues of \$11.1 million are slightly higher than the 2012 budget by \$78 thousand or 0.7 percent.
- Advertising on buses and trains and leasing Sound Transit properties is expected to generate revenues of \$1.1 million, up 7.5 percent.
- The 2013 rental income of \$357 thousand is up \$72 thousand or 25.1 percent.
- The 2013 federal government bond subsidy payments of \$7.1 million and state contributions of \$1 million are unchanged from 2012 budget.

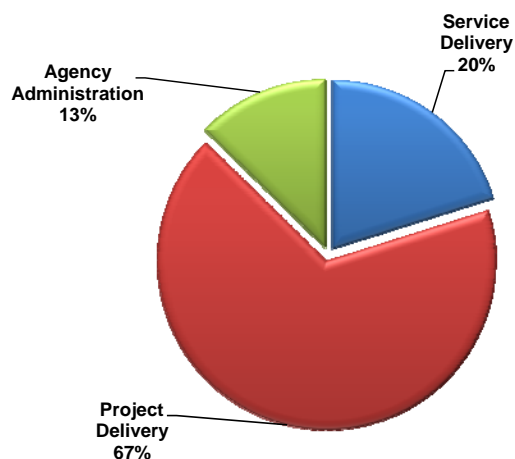
Bond Proceeds

- Bonds are issued to finance capital projects however no bonds are currently planned for 2013.
- Proceeds from bond sales are added to the agency's general fund and are unrestricted.

Operating Expenses and Capital Outlays

Sound Transit's 2013 budget is organized in three sections: service delivery, project delivery, and agency administration. The vast majority of annual budget expenditures relate to the delivery of projects to expand and improve the regional transit system. Some agency administrative costs are directly charged or allocated to either service or project delivery.

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



OPERATING EXPENSES AND CAPITAL OUTLAYS

(in thousands)

Service Delivery	\$211,950
Project Delivery	\$706,191
Agency Administration	\$133,211
Total	\$1,051,352

Service Delivery

Operation of regional transit services accounts for \$212 million in the 2013 budget, which is a 5.5 percent increase from 2012. Ridership is expected to be 9.7 percent higher.

2013 Highlights

- Tacoma Link's 2013 budget totals \$4.3 million, up 4.3 percent or \$0.2 million from \$4.1 million budgeted in 2012 – mainly due to higher allocation of agency administrative costs.
- Central Link budget totals \$57.8 million, up 6.2 percent or \$3.4 million – primarily due to an increase in purchased transportation costs from King County and Sound Transit's share of the Downtown Seattle Transit Tunnel (DSTT) expenses.
- Sounder's 2013 budget totals \$40.2 million, up 7 percent or \$2.6 million – mainly due to the full-year costs for Tacoma to Lakewood services added in the fourth quarter of 2012.
- ST Express's budget totals \$109.7 million, up 6.1 percent or \$6.3 million – primarily due to increased costs in service agreements and DSTT expenses.

Project Delivery

The bulk of the agency's budget, or \$706 million, is devoted to capital spending to continue planning, design, and build out of the regional transit system. In addition to major construction projects, we are maintaining and improving the agency's in-service assets, and investing in technology and systems that support efficient and effective projects and service operations.

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

2013 Highlights

- System Expansion – Link light rail projects account for \$496.7 million or 70 percent of the total project budget in 2013 including continuation of the following work:
 - Final design and right-of-way acquisition for East Link across I-90 to Overlake.
 - Construction of University of Washington and Capitol Hill Stations.
 - Final design for South Link project extending light rail from Airport Station to South 200th.
 - Design of the Link extension to Northgate and early site work at U District and Roosevelt Station locations.
 - Planning activity south of South 200th and north of Northgate to Lynnwood.
- System Expansion – Sounder commuter rail projects are budgeted at \$91.1 million. Over half will be used to acquire easements and complete track and signal work to accommodate four additional daily round trips on the Sounder south line.
- System Expansion – Regional Express program budget of \$33.3 million is focused on final design for the I-90 Stage 3 HOV lanes in anticipation of light rail crossing the floating I-90 bridges.
- System Expansion – Other projects total \$25.0 million and includes \$7.8 million for High Capacity Transit Corridor (HCT) planning studies, \$5.2 million for R&T projects and \$3.3 million for South Corridor Alternatives planning and \$2.0 million for the Ballard-Downtown Seattle HCT planning study.
- Enhancement projects have a total budget of \$23.6 million with \$10.6 million for Positive Train Control and \$3.9 million for Noise Abatement.
- Rehabilitation and Replacement budget of \$31.5 million includes \$22.0 million for bus replacement.
- Administrative projects budget of \$5.1 million includes implementation of an enterprise asset planning system and an integrated budgeting system; both started in 2012 and will continue in 2013.

Agency Administration

This section of the budget includes department costs and debt service for a total of \$133.2 million in 2013.

2013 Highlights

- Department budgets are \$92 million or 4.6 percent higher than the 2012 budget. Of the total, 14.8 percent or \$13.6 million is direct charged or allocated to service delivery and 55.9 percent or \$51.4 million is either direct charged or allocated to capital assets resulting in a net budget of \$29.6 million.
- Key drivers of the 4.6 percent increase in department costs are the full year cost of new positions filled in 2012, and the addition of 29.5 new positions for 2013. Workforce growth is driven primarily by the increase in project activity.
- Debt service is \$106.3 million comprised of \$73 million of interest and \$33.3 million of principal repayment. In 2012, the agency advance refunded \$350.6 million of the 2005A bonds to take advantage of low prevailing interest rates resulting in a net present value savings in the amount of \$50.8 million.

Looking to the Future

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

Preparing for Link Service Increases

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

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

- Reviewing Sound Transit's strategic and financial options are critical to fulfilling commitments made in the ST2 plan, made more complex by the sluggish economic recovery. Tax revenue is projected 30 percent lower than expected in 2008 when voters approved the ST2 plan, which is expected to be complete in 2023.
- Extending transit services beyond what is defined in ST2 requires years of study, planning and early work. Several projects in the next few years will look at potential expansion of high-capacity transit in anticipation of a third transit expansion program.

Developing an Agency for the Long Term

- ST University continues to expand – delivering in-house training that targets broadly required skill requirements like project management, communications, and leadership.
- New benefits programs are intended to minimize year-over-year cost increases and maintain Sound Transit's ability to recruit and retain valued employees.

- Enterprise Asset Management will enable us to maintain our equipment and facilities at a targeted state of good repair at the lowest possible total cost.

Risks

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

- The sluggish economic recovery.
- Ridership on Sounder in the North Corridor and in the new south extension to South Tacoma and Lakewood will be watched closely.
- Parking and system access challenges are a risk to building ridership on our trains and buses.
- Adequate, skilled staffing must be maintained to meet project timelines.
- Transit service demand greater than can be met with financial plan resources.

Opportunities

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

- Favorable construction costs and real estate values.
- Value engineering and constructability reviews that uncover cost savings.
- High gas prices and the addition of new service promote ridership.
- Public concern about the environment driving increased use of public transit.
- Transit-oriented development creating long-term ridership growth.

Service Delivery

The service delivery budget for 2013 totals \$212 million. In 2013, Sound Transit expects to carry approximately 28.3 million riders by providing over 886,000 service hours with our four transit services plus paratransit.

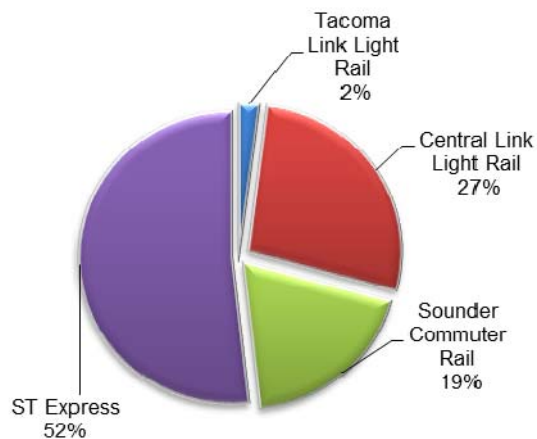
The service delivery budget includes service contract costs for operations and vehicle maintenance provided primarily by our transit agency partners. Tacoma Link is the exception; operations and maintenance is performed by Sound Transit employees. In addition, our light rail, commuter rail, and express bus services are supported by 31 rail stations, 11 transit centers, and 17 park-and-ride lots. Sound Transit owns 22 of these facilities which range from fairly basic to complex. Operations Department staff manages our facilities, overseeing hundreds of contractors including many small and minority owned businesses. The IT Transit Systems division performs installation, repairs, and maintenance for the agency's ticket vending machines.

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

SERVICE DELIVERY

(in thousands)

Tacoma Link	4,287
Central Link	57,772
Sounder	40,152
ST Express	109,739
Total	\$211,950



2013 Highlights

- Sounder service between Tacoma and Lakewood began in the fourth quarter of 2012 and currently includes five daily round trips. An additional round trip from Seattle to Tacoma and Lakewood will begin in the fourth quarter of 2013.
- Service on all other modes will be on par with 2012 service levels.
- King County Metro reduced the number of buses operated in the Downtown Seattle Transit Tunnel (DSTT) when the Ride Free Area in downtown Seattle ended in September 2012. This change caused Sound Transit's share of the DSTT operations and maintenance and debt service costs to increase from 40 percent to 46 percent, impacting both Link light rail and ST Express bus budgets.

- Contracts with Community Transit, King County Metro, and Pierce Transit for ST Express bus operations, excluding fuel costs, continue increasing at a rate in excess of inflation.

SERVICE DELIVERY BUDGET SUMMARY

(in thousands)	2011 Actual	2012 Amended	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	2,609	3,133	2,975	3,192
Benefits	1,491	1,771	1,743	1,765
Subtotal	4,100	4,903	4,718	4,957
Services				
Marketing and Rider Information	1,086	1,273	1,034	1,276
Fare Collection	1,662	2,477	1,875	2,550
Ticket Vending Machines	8,111	8,705	7,713	9,062
Facilities Maintenance	2,420	3,540	2,143	3,238
Downtown Seattle Transit Tunnel	9,589	5,763	6,014	7,059
Maintenance of Way	203	684	736	1,188
Security and Safety	11,902	12,444	12,349	13,690
Miscellaneous Services	422	667	978	454
Accessible Services Program Operations	-	-	-	-
Subtotal	35,394	35,553	32,844	38,519
Materials & Supplies	7,481	9,188	9,215	9,163
Purchased Transportation Services	112,835	121,771	118,551	129,071
Paratransit	1,558	1,999	1,036	1,800
Miscellaneous Expenses	678	697	649	791
Lease and Rentals	888	5,331	5,246	5,858
Other Expenses				
Utilities	3,175	3,162	3,240	3,375
Insurance	2,307	3,783	2,534	2,927
Taxes	1,096	1,845	1,656	1,880
Subtotal	6,579	8,789	7,429	8,182
Transfer of Administratives Expenses	12,594	11,285	13,127	13,609
Contingency		1,455		-
Service Delivery Budget Total	182,107	200,972	192,814	211,950

SERVICE DELIVERY BUDGET SUMMARY OF CHANGES

(in thousands)	2012 Amended	2013 Adopted	\$ Change	% Change
Salaries & Benefits				
Salaries	3,133	3,192	59	1.9%
Benefits	1,771	1,765	(6)	-0.3%
Subtotal	4,903	4,957	53	1.1%
Services				
Marketing and Rider Information	1,273	1,276	3	0.3%
Fare Collection	2,477	2,550	73	2.9%
Maintenance of Vehicles	8,705	9,062	357	4.1%
Facilities Maintenance	3,540	3,238	(302)	-8.5%
Downtown Seattle Transit Tunnel	5,763	7,059	1,296	22.5%
Maintenance of Way	684	1,188	504	73.7%
Security and Safety	12,444	13,690	1,247	10.0%
Miscellaneous Services	667	454	(213)	-31.9%
Accessible Services Program Operations	-	-	-	0.0%
Subtotal	35,553	38,519	2,967	8.3%
Materials & Supplies	9,188	9,163	(25)	-0.3%
Purchased Transportation Services	121,771	129,071	7,300	6.0%
Paratransit	1,999	1,800	(199)	-9.9%
Miscellaneous Expenses	697	791	94	13.4%
Lease and Rentals	5,331	5,858	527	9.9%
Other Expenses				
Utilities	3,162	3,375	213	6.7%
Insurance	3,783	2,927	(856)	-22.6%
Taxes	1,845	1,880	35	1.9%
Subtotal	8,789	8,182	(608)	-6.9%
Transfer of Administrative Expenses	11,285	13,609	2,325	20.6%
Contingency	1,455	-	(1,455)	-100.0%
Service Delivery Budget Total	200,972	211,950	10,980	5.5%

Service Delivery Staffing Plan

Service Delivery staff work directly to deliver our transit operations. Within Sound Transit they are located in the Operations or Finance & Information Technology (FIT) departments. IT Transit Systems staff from FIT provide technical support for ticket vending machines (TVMs) and other technology.

Operations department staff are charged directly to the mode they support. IT Transit Systems staff costs are charged based on the number of TVMs deployed to each mode.

In 2012, we added a Tacoma Link Vehicle Operator and transferred one position from IT Transit Systems to Information Technology in FIT. One new position has been funded in IT Transit Systems for 2013.

Service delivery staffing plan details are available in Appendix A.

SERVICE DELIVERY STAFFING PLAN BY DEPARTMENT

Department	2011 Staffing Plan	2012 Staffing Plan	2012 Trsfs	2013 New	2013 Staffing Plan
Operations					
Central Link	6.00	7.00	-	-	7.00
ST Express	3.00	3.00	-	-	3.00
Souder	5.00	5.00	-	-	5.00
Tacoma Link	18.00	18.00	1.00	-	19.00
Finance & IT Department					
IT Transit Systems	11.00	12.00	(1.00)	1.00	12.00
Service Delivery Total	43.00	45.00	-	1.00	46.00

SERVICE DELIVERY STAFFING PLAN BY MODE

Mode	2011 Staffing Plan	2012 Staffing Plan	2012 Trsfs	2013 New	2013 Staffing Plan
Central Link	13.48	14.68	(0.54)	0.54	14.68
ST Express	4.32	3.24	(0.17)	0.17	3.24
Souder	7.20	9.08	(0.29)	0.29	9.08
Tacoma Link	18.00	18.00	1.00	-	19.00
Service Delivery Total	43.00	45.00	-	1.00	46.00

Service Delivery Budget Analysis

The service delivery budget for 2013 increases \$11 million or 5.5 percent to \$212 million from \$201 million in 2012. The adopted 2012 budget of \$199.8 million was amended in 2012 to increase both Central Link and ST Express budgets related to unexpected increases in purchased transportation and DSTT costs. In addition, the 2012 Sounder operating budget was reduced by a \$0.2 million transfer to the capital program. The reconciliation table below summarizes the changes in the adopted 2013 Service Delivery budget from 2012. Budget changes are categorized as follows:

- Service level refers to the number of trips and distance.
- Increased activities are new since 2012.
- Base costs refers to cost of the activities performed in 2012.
- Contingency refers to the Service Delivery contingency not budgeted to a specific mode.

Details for each program can be found in the modal budget analysis in the subsequent sections.

RECONCILIATION OF AMENDED 2012 TO ADOPTED 2013 SERVICE DELIVERY BUDGET (in thousands)

Amended 2012 Service Delivery Budget		\$ 200,972
Changes	% Change	\$ Change
Services Level	1.2%	2,404
Increased Activities	1.2%	2,478
Changes to Base Costs	3.8%	7,553
Contingency	-0.7%	(1,455)
Total Change	5.5%	10,981
Adopted 2013 Service Delivery Budget		\$ 211,950

Numbers may not add due to rounding.

Service Level

- Sounder service from Tacoma to Lakewood began in 2012 and the addition of a round trip from Seattle to Lakewood, expected in late 2013, will have a \$2.4 million impact on the 2013 budget.
- Service levels on modes other than Sounder remain generally unchanged.

Increased Activities

- Security and Safety costs are up by \$1.2 million or 10 percent due to increases in personnel hours delivered through contracts with Securitas Security Services and King County Sheriff. In 2013, budget for Securitas includes four additional FTEs to provide security services at Tacoma-Lakewood segment. The budget for King County Sheriff includes an additional commissioned officer in response to current and on-going environment in which the Department of Homeland Security have identified mass transit rail systems across the nation as having high potential of terrorism threats.

- Spare parts for Central Link are up by \$0.8 million in primarily due to upcoming overhauls.
- Training for Tacoma Link maintenance crew at a cost of \$82 thousand will enable us to bring overhead catenary and traction power substations maintenance work in house.
- Sounder has rehabilitation work planned for \$120 thousand.
- Addition of a staff Bench Technician will handle post-warranty repairs and maintenance for TVMs at a cost of \$86 thousand shared by all modes except Tacoma Link.
- Parking lease for Sounder is higher by \$155 thousand due to the addition of parking spaces at Edmonds Station.

Changes to Base Costs

- Purchased transportation is projected to increase about \$6.4 million, excluding the \$0.9 million related to the increase in Sounder service.
- Downtown Seattle Transit Tunnel lease and maintenance agreement costs for 2013 are up \$1.9 million. These costs are split between Central Link and ST Express.
- Transfer of administrative costs is up \$2.3 million or 20.6 percent driven by inclusion of previously unallocated costs and changes in the percent allocated to Service Delivery. Major changes include:
 - Inclusion of previously unallocated expenses for Leased Office Space and Internal Audit resulted in a \$0.3 million increase.
 - Increases in the weighting of costs transferred to service delivery from divisions such as Safety, Security, Risk Management, Environmental Affairs and Sustainability, Facilities, Non-revenue Vehicle Fleet, and Diversity resulted in a \$1.4 million increase.
 - Increase in the proportion of computers used by service delivery staff and contractors that are supported by the IT division, resulted in a \$0.7 million increase in the administrative costs transferred to service delivery.
- Beginning in 2013, there will be no contingency budget for service delivery. Contingency in 2012 was \$1.5 million.

Ridership Forecast

Ridership is expected to increase by 9.7 percent in 2013 systemwide.

2013 RIDERSHIP FORECAST

(in thousands)

Mode	2011 Actual	2012 Forecast	2012 Actual	2013 Forecast	Forecast Change	% Change
Central Link	7,812	8,400	8,700	9,200	800	9.5%
Souder	2,544	2,600	2,812	2,700	100	3.8%
Tacoma Link	972	900	1,024	1,000	100	11.1%
ST Express	13,665	13,800	15,431	15,300	1,500	10.9%
Paratransit	82	100	63	100	-	0.0%
Total All Modes	25,076	25,800	28,030	28,300	2,500	9.7%



Ticket Vending
Machine

Service Delivery Budget by Program

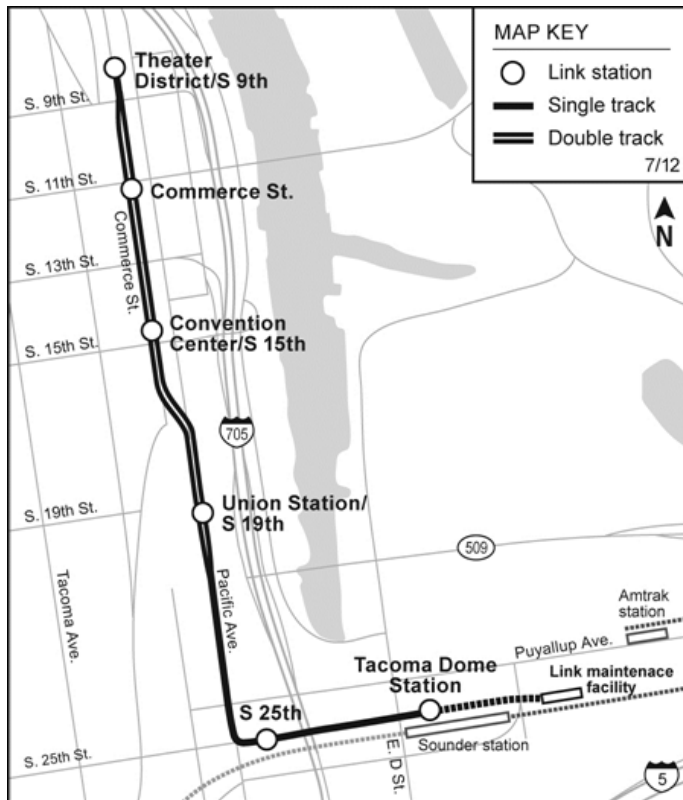
TACOMA LINK LIGHT RAIL

Tacoma Link is a 1.6-mile light rail passenger system that runs through the heart of downtown Tacoma. There are six unique stations complete with artwork that reflects the history and community of Tacoma. We run two trains at peak ridership hours and one during slower times of day. Trains run at 12 minute intervals. No service changes are being implemented in 2013. No fares are collected for Tacoma Link service.

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

Tacoma Link will celebrate its tenth anniversary in August 2013.

TACOMA LINK LIGHT RAIL SERVICE ROUTE



TACOMA LINK LIGHT RAIL BUDGET

(in thousands)	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	1,009	1,111	1,090	1,163
Benefits	631	663	743	699
Subtotal	1,639	1,774	1,833	1,862
Services				
Marketing and Rider Information	32	49	28	38
Fare Collection	-	-	-	-
Maintenance of Way	43	179	62	103
Maintenance of Vehicles	159	58	12	48
Facilities Maintenance	18	300	140	278
Security and Safety	350	376	398	382
Miscellaneous Services	45	46	35	55
Subtotal	646	1,007	676	904
Materials & Supplies	91	206	454	228
Purchased Transportation Services		5	1	5
Miscellaneous Expenses	8	31	51	115
Lease and Rentals	12	9	11	13
Other Expenses				
Utilities	175	132	53	131
Insurance	204	264	168	228
Taxes		1		1
Subtotal	379	396	221	360
Transfer of Administrative Expenses	737	685	787	801
Mode Total	3,514	4,112	4,033	4,287

Tacoma Link Budget Analysis

The 2013 Tacoma Link budget will increase slightly to \$4.3 million, from \$4.1 million in 2012, an increase of 4.3 percent.

RECONCILIATION OF ADOPTED 2012 TO ADOPTED 2013 TACOMA LINK BUDGET (in thousands)

Adopted 2012 Tacoma Link Budget			\$ 4,112
Changes	% Change	\$ Change	
Increased Activities	2.2%	89	
Changes to Base Costs	2.1%	86	
Total Change	4.3%		175
Adopted 2013 Tacoma Link Budget			\$ 4,287

Numbers may not add due to rounding.

Activity Increase

- A training program for Tacoma link maintenance will enable us to bring overhead catenary and traction power maintenance work in house.

Changes to Base Costs

- Agency Administrative expense allocations increased \$116 thousand for 2013 due to an increase in the percentage allocation to Service Delivery.
- Salaries and benefits are up a net \$88 thousand primarily as a result of a full year of the Link Vehicle Operator added in 2012.
- Insurance is decreased by \$36 thousand and facilities maintenance by \$22 thousand.



Tacoma Link Light Rail

Tacoma Link Performance Statistics Analysis

Budget projections for 2013 show increased ridership and increased operating costs which result in mixed performance for Tacoma Link.

- No new changes to service are being implemented in 2013.
- More than 9,600 service hours are expected to be delivered.
- Ridership target is 1 million boardings or 3,271 per weekday.
- Operating costs are projected to increase by 4.2 percent. Service remains relatively unchanged; therefore, the cost per hour and cost per mile metrics are increasing by 4.2 percent.
- Ridership is projected to grow by 11 percent compared to the 2012 budget resulting in a reduction in cost per boarding from \$4.57 to \$4.29 or 6.2 percent for 2013.

TACOMA LINK LIGHT RAIL PERFORMANCE STATISTICS

Performance Statistics	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted	2013 v 2012 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated	9,817	9,617	9,822	9,617	0.0%
Revenue Vehicle Miles Operated	82,563	76,037	75,897	76,037	0.0%
Trips Operated	53,209	47,857	48,886	47,857	0.0%
Service Consumed					
Total Boardings	972,429	900,000	1,024,053	1,000,000	11.1%
Average Weekday Boardings	3,293	2,850	3,476	3,271	14.8%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Service Hour	99	94	104	104	11.1%
Total Boardings/Trip	18	19	21	21	11.1%
Percentage of Scheduled Trips Operated	99.9%	98.5%	99.5%	98.5%	0.0%
On-time Performance ⁽¹⁾	99.8%	98.5%	99.8%	98.5%	0.0%
Complaints per 100,000 boardings	0.9	15.0	0.1	15.0	0.0%
Preventable Accidents per 100,000 service miles ⁽²⁾	0	<1.7	1.3	<1.7	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)	\$3,513,526	\$4,112,308	\$4,032,580	\$4,286,836	4.2%
Cost/Revenue Vehicle Hour	\$357.90	\$427.61	\$410.57	\$445.76	4.2%
Cost/Revenue Vehicle Mile	\$42.56	\$54.08	\$53.13	\$56.38	4.2%
Cost/Boarding	\$3.61	\$4.57	\$3.94	\$4.29	-6.2%

Notes

(1) 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 it's departure time.

(2) A preventable accident is defined as an accident in which the operating employee(s) failed to do everything reasonable to prevent it.

CENTRAL LINK LIGHT RAIL

Central Link light rail trains run between downtown Seattle and Sea-Tac Airport. The 15.6-mile ride, with 13 stations, between Sea-Tac and downtown Seattle takes about 35 minutes. During peak hours, service runs on seven and a half minute headways between trips, with less frequent service during the midday and before and after the peak. With the exception of after hour, peak, and Sundays, Sound Transit operates two-car trains.

Sound Transit operates Central Link light rail out of our operations and maintenance facility in Seattle's SODO neighborhood. Operations and maintenance of the system is performed by King County Metro through an inter-governmental agreement. Sound Transit has a staffing plan of seven Operations Department FTEs and eight Transit Systems division FTEs. The staff of Central Link oversees the overall operations and the Transit System staff provides support for ticket vending machines and other technical support. In addition to our oversight of operations and maintenance of the trains, Sound Transit is directly responsible for security, spare parts, insurance, traction power, and other utilities.

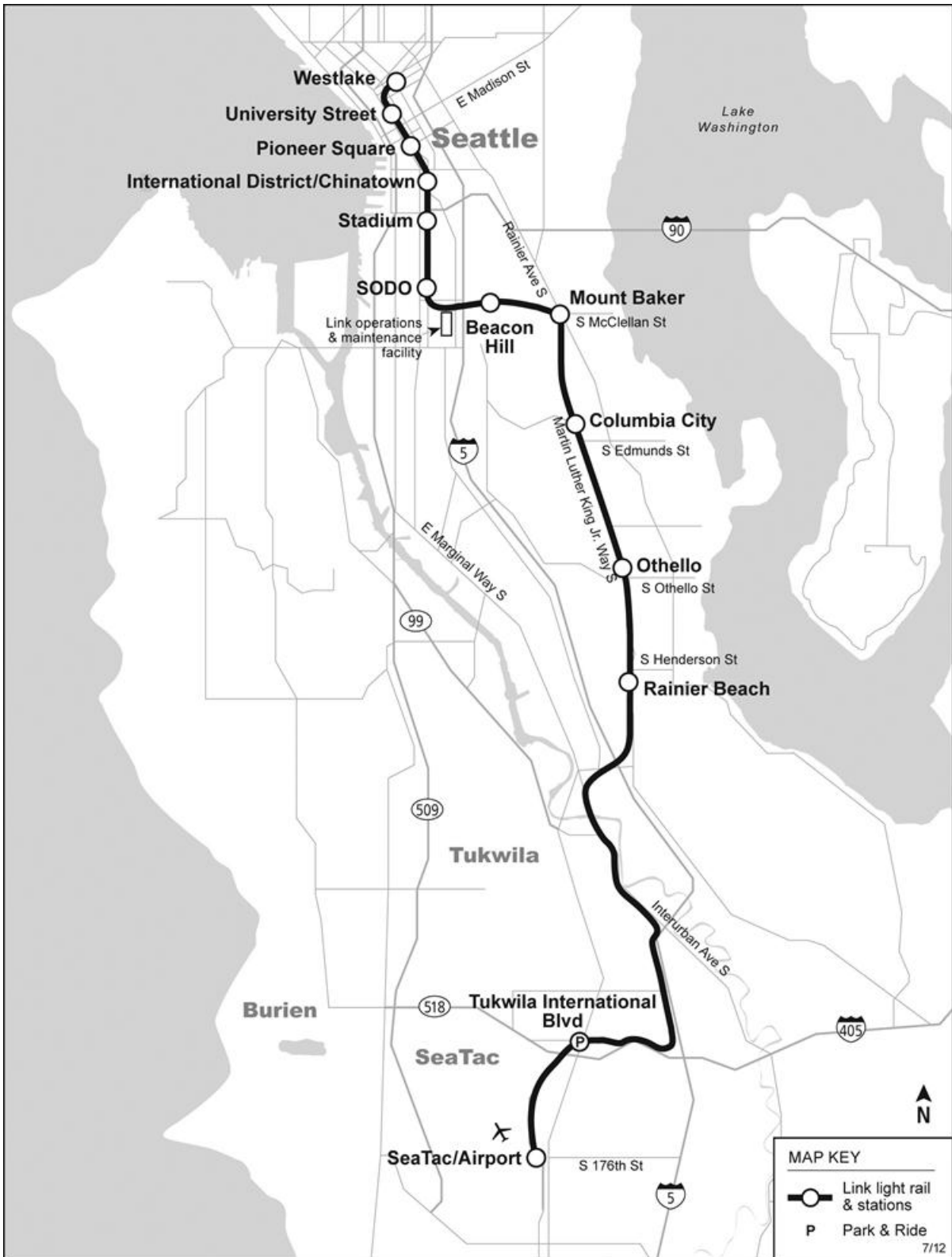
King County Metro employs 182 Central Link staff including control center personnel, service supervisors, maintenance-of-way personnel, maintenance technicians, facilities custodians, and 56 operators. King County staff provides supervision and operations of the trains, maintenance of the vehicles, and maintenance of the stations and track facilities.

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



Central Link Light Rail
Entering the Beacon Hill
Tunnel

CENTRAL LINK LIGHT RAIL SERVICE ROUTE



CENTRAL LINK LIGHT RAIL BUDGET

(in thousands)	2011 Actual	2012 Amended	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	834	1,101	1,007	1,100
Benefits	443	597	528	561
Subtotal	1,277	1,698	1,535	1,661
Services				
Marketing and Rider Information	109	112	91	124
Fare Collection	820	1,335	949	999
Facilities Maintenance	501	578	292	222
Downtown Seattle Transit Tunnel	5,513	3,306	3,458	4,059
Security and Safety	7,958	8,183	8,174	8,544
Miscellaneous Services	228	427	851	345
Subtotal	15,129	13,941	13,815	14,294
Materials & Supplies	2,276	1,446	2,345	2,063
Purchased Transportation Services	21,757	24,597	24,495	26,742
Paratransit	1,558	1,999	1,036	1,800
Miscellaneous Expenses	256	258	220	263
Lease and Rentals	372	2,851	2,767	2,972
Other Expenses				
Utilities	1,885	1,816	1,907	1,864
Insurance	1,338	2,333	1,581	1,850
Taxes	291	302	343	356
Subtotal	3,513	4,451	3,831	4,070
Transfer of Administrative Expenses	3,678	3,172	3,789	3,907
Mode Total	49,817	54,412	53,831	57,772

Central Link Budget Analysis

The budget for Central Link light rail increased 6.2 percent to \$57.8 million from \$54.4 million.

RECONCILIATION OF AMENDED 2012 TO ADOPTED 2013 CENTRAL LINK BUDGET (in thousands)

Amended 2012 Central Link Budget			\$ 54,412
Changes	% Change	\$ Change	
Increased Activities	2.2%	1,217	
Changes to Base Costs	3.9%	2,143	
Total Change	6.2%		3,360
Adopted 2013 Central Link Budget			\$ 57,772

Numbers may not add due to rounding.

Increased Activities

- Spare parts costs are budgeted to increase by about 42 percent or \$0.8 million due to fleet warranties expiring and the original Link fleet nearing the first major maintenance milestones.
- Security and Safety costs are up by \$360 thousand or 4.4 percent due to increases in personnel hours delivered through contracts with Securitas Security Services and King County Sheriff. This amount would have been higher if not for a change in the percentage allocation of shared costs to the modes to better reflect current security officer deployment patterns.

Changes to Base Costs

- Purchased transportation increase of over \$2.1 million reflects the addition of five King County staff and cost of living adjustment (COLA) increases for King County staff in 2013 that provide operations and maintenance services for Central Link light rail.
- We anticipate a \$1.1 million increase in King County costs for use of the Downtown Seattle Transit Tunnel by Central Link. Central Link and ST Express split Sound Transit's share of the DSTT costs.
- Agency Administrative expense allocations increased \$0.7 million for 2013 due to an increase in the percentage allocation to Service Delivery.
- Insurance premiums are lower by almost \$0.5 million due to positive claims experience.
- Fare collection and facilities maintenance are down a combined total of \$0.7 million due to a change in shared cost allocations to the modes.
- Estimated 2013 costs for Central Link traction power are lower than 2012 based on usage data.

Central Link Performance Statistics Analysis

No service changes are being implemented for Central Link in 2013, but ridership is expected to increase substantially driving the cost per boarding below the 2012 level.

- No service changes being implemented in 2013.

- About 132,000 service hours are expected to be delivered.
- Ridership is forecasted at 27,900 weekday boardings and 9.2 million annual boardings, a 9.5 percent increase over 2012 budget.
- Operating costs for Central Link (exclusive of Paratransit, which is not included in Central Link performance statistics) are projected to increase by 6.8 percent.
- Service hours increased by 3.5 percent from 2012, cost per hour increased by 3.1 percent, and cost per mile is projected to rise by 3.3 percent. However, with the increase in projected ridership of 9.5 percent, cost per boarding is projected to be \$6.08, a decrease of 2.5 percent.

CENTRAL LINK LIGHT RAIL PERFORMANCE STATISTICS

Performance Statistics	2011 Actual	2012 Amended	2012 Actual	2013 Adopted	2013 v 2012 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated ⁽¹⁾	130,175	127,500	136,167	132,000	3.5%
Revenue Vehicle Miles Operated ⁽¹⁾	2,448,346	2,375,000	2,552,647	2,455,000	3.4%
Revenue Train Hours Operated	71,838	71,750	72,240	71,800	0.1%
Trips Operated	90,575	92,527	90,834	92,527	0.0%
Service Consumed					
Total Boardings	7,812,433	8,400,000	8,699,821	9,200,000	9.5%
Average Weekday Boardings	23,617	25,455	25,990	27,900	9.6%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Service Hour	60	66	64	70	5.8%
Total Boardings/Trip	86	91	96	99	9.5%
Percentage of Scheduled Trips Operated	99.6%	98.5%	99.7%	98.5%	0.0%
Headway management ⁽²⁾	92.9%	90.0%	93.9%	90.0%	0.0%
Complaints per 100,000 Boardings	4.0	15.0	1.9	15.0	0.0%
Preventable Accidents per 100,000 service miles ⁽³⁾	0.07	<1	0.00	<1	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation and excluding Paratransit costs)⁽⁴⁾	\$48,258,385	\$52,413,226	\$52,795,196	\$55,972,138	6.8%
Cost/Revenue Vehicle Hour	\$370.72	\$411.08	\$387.72	\$424.03	3.1%
Cost/Revenue Vehicle Mile	\$19.71	\$22.07	\$20.68	\$22.80	3.3%
Cost/Revenue Train Hour	\$671.77	\$730.50	\$730.83	\$779.56	6.7%
Cost/Boarding	\$6.18	\$6.24	\$6.07	\$6.08	-2.5%

Notes

(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) 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.

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

SOUNDER COMMUTER RAIL

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 central Puget Sound. Sounder service operates via a contract with Burlington Northern Santa Fe (BNSF), owner of the railway between these two cities. Sound Transit owns the railway from M Street in Tacoma to Lakewood.

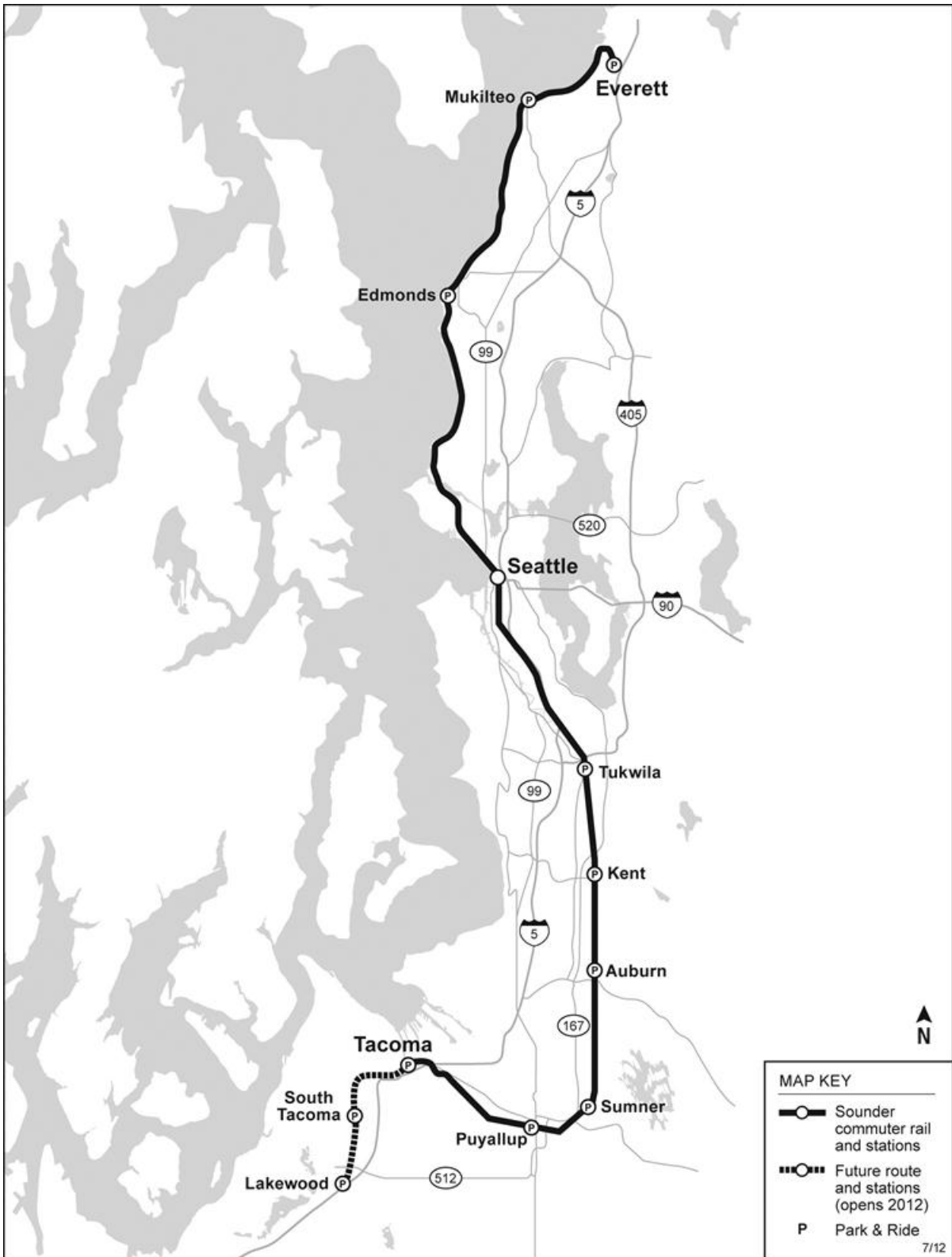
South line commuter service offers nine daily round trips between Seattle and Tacoma. During fourth quarter 2012, Sound Transit began service from Tacoma south to South Tacoma and Lakewood stations. This new segment offers five daily round trips. In addition, beginning in fourth quarter 2013, Sound Transit will add a sixth round trip between Seattle and Lakewood, which will result in a tenth round trip of service between Tacoma and Seattle. North line Sounder service offers four daily round trips between Everett and Seattle. There are no service additions scheduled for the North line in 2013. Sounder operations staff includes one manager, three superintendents, and an administrative coordinator. Sounder is also supported by 2.5 FTEs from the agency's IT Transit Systems division.

Sounder service is supported by 12 stations and seven park-and-ride lots. The Sounder fleet consists of 14 locomotives, 40 coaches, and 18 cab cars that include an engineer's cab. During 2012 or early 2013 the agency will incorporate three additional locomotives into our fleet. All vehicles are maintained by Amtrak at their Holgate Yard in Seattle during the day with overnight storage for the four North line trains in Everett and the five South line trains in Tacoma. Sounder also benefits from numerous other supporting contracts, such as services for security, station agents, and facilities maintenance.



Sounder Commuter Rail

SOUNDER COMMUTER RAIL SERVICE ROUTE



SOUNDER COMMUTER RAIL BUDGET

(in thousands)	2011 Actual	2012 Amended	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	533	673	631	680
Benefits	296	378	333	376
	828	1,050	963	1,056
Services				
Marketing and Rider Information	811	871	743	888
Fare Collection	373	469	364	441
Maintenance of Vehicles	7,765	8,522	7,700	8,939
Facilities Maintenance	960	907	863	1,256
Maintenance of Way	160	506	674	1,085
Security and Safety	2,690	3,039	2,883	3,289
Miscellaneous Services	149	187	84	54
Subtotal	12,908	14,502	13,311	15,952
Materials & Supplies	5,033	7,373	6,329	6,798
Purchased Transportation Services	8,147	8,267	8,004	9,509
Miscellaneous Expenses	221	216	205	243
Lease and Rentals	285	305	279	474
Other Expenses				
Utilities	659	780	799	936
Insurance	735	1,168	738	830
Taxes	280	1,062	687	1,044
Subtotal	1,674	3,011	2,225	2,810
Transfer of Administrative Expenses	2,964	2,790	3,147	3,309
Mode Total	32,062	37,514	34,463	40,152

Souder Budget Analysis

The 2013 Souder budget will rise to \$40.2 million, up 7 percent from \$37.5 million in 2012.

RECONCILIATION OF AMENDED 2012 TO ADOPTED 2013 SOUNDER BUDGET

(in thousands)

Amended 2012 Souder Budget		\$ 37,514
Changes	% Change	\$ Change
Service Level	6.4%	2,404
Increased Activities	1.4%	540
Changes to Base Costs	-0.8%	(306)
	Total Change	\$ 2,638
Adopted 2013 Souder Budget		\$ 40,152

Numbers may not add due to rounding.

Service Level

- Souder service between Tacoma and Lakewood scheduled to begin in the fourth quarter 2012 will cost an additional \$1.9 million to operate for the full year in 2013.
- An additional round trip between Seattle and Tacoma, continuing to Lakewood, will add \$0.5 million to the 2013 Souder operating budget.

Activity Increase

- An increase of \$385 thousand is related to rehabilitation maintenance projects planned at various Souder stations and expanding wayside power at Lakewood layover.
- An increase of \$155 thousand is related to leasing additional parking spaces at Edmonds Station.

Changes to Base Costs

- Vehicle maintenance costs are higher by \$270 thousand due to increasing fleet size, age of the original fleet, and maintenance contract rates. Three new locomotives will be delivered in late 2012 or early 2013.
- Purchased transportation costs from BNSF, excluding the new service from Seattle to Tacoma and Lakewood, is estimated \$0.3 million higher in 2013.
- Utility costs will rise by nearly \$156 thousand in 2013 due to the cost of locomotives recharging overnight in Everett and Tacoma and costs to offer wireless internet access to passengers.
- Agency Administrative expense allocations increased \$0.5 million for 2013 due to an increase in the percentage allocation to Service Delivery.
- Insurance claims experience for Souder has been favorable, yielding a savings of \$338 thousand in the 2013 premium.
- Fuel price assumptions are lower, resulting in a budget reduction of \$0.5 million.

- Parts and equipment for Sounder vehicle budgeted in 2012 has been transferred to a refurbishment project, reducing the 2013 operating budget by \$0.4 million.
- Other changes in various Sounder program elements result a significant reduction in Sounder budget.

Sounder Performance Statistics Analysis

The service plan for 2013 incorporates a full year of the new Tacoma to Lakewood service and an additional round trip between Seattle and Lakewood starting in the fourth quarter 2013.

- We expect to deliver more than 46,500 service hours.
- Ridership target is 2.7 million total boardings or 10,369 per weekday.
- In 2013, we will have nine daily round trips between Seattle and Tacoma, five of which will go to Lakewood. In the fourth quarter of 2013, a tenth round trip will be added.
- Sounder cost per revenue vehicle hour is projected to increase from \$832 in 2012 to \$863 in 2013, an increase of 3.7 percent.
- Boardings are increasing by 3.8 percent, yielding an increase in cost per boarding of 3.1 percent in 2013, from \$14.43 to \$14.87.
- Excluding fuel cost changes, cost per hour is \$761 or 5.2 percent higher than the 2012 budget of \$723.
- Excluding fuel cost changes, cost per boarding is projected at \$13.11 for 2013, an increase of 4.6 percent from 2012 cost of \$12.54.

SOUNDER COMMUTER RAIL PERFORMANCE STATISTICS

Performance Statistics	2011 Actual	2012 Adopted	2012 Actual	2013 Adopted	2013 v 2012 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated	38,588	45,066	38,951	46,500	3.2%
Revenue Vehicle Miles Operated	1,498,423	1,650,670	1,507,757	1,690,776	2.4%
Trips Operated	6,695	6,782	6,542	6,910	1.9%
Service Consumed					
Total Boardings	2,543,955	2,600,000	2,811,891	2,700,000	3.8%
Average Weekday Boardings	9,495	9,250	10,584	10,369	12.1%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	66	58	72	58	0.6%
Total Boardings/Trip	380	383	430	391	1.9%
Percentage of Scheduled Trips Operated	98.6%	99.5%	97.4%	99.5%	0.0%
On-time Performance ⁽¹⁾	97%	>95%	96%	>95%	0.0%
Complaints per 100,000 Boardings	14.0	15.0	6.7	15.0	0.0%
Preventable Accidents per 1,000,000 total miles ⁽²⁾	0	<1	0	<1	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)	\$32,061,894	\$37,514,104	\$34,463,264	\$40,151,847	7.0%
Cost/Revenue Vehicle Hour	\$830.88	\$832.43	\$884.79	\$863.48	3.7%
Cost/Revenue Vehicle Mile	\$21.40	\$22.73	\$22.86	\$23.75	4.5%
Cost/Boarding	\$12.60	\$14.43	\$12.26	\$14.87	3.1%
Fuel Costs	\$3,514,174	\$4,921,877	\$3,689,853	\$4,764,000	-3.2%
Operating costs (less fuel and depreciation)	\$28,547,720	\$32,592,227	\$30,773,411	\$35,387,847	8.6%
Cost/Revenue Vehicle Hour	\$739.81	\$723.21	\$790.05	\$761.03	5.2%
Cost/Revenue Vehicle Mile	\$19.05	\$19.74	\$20.41	\$20.93	6.0%
Cost/Boarding	\$11.22	\$12.54	\$10.94	\$13.11	4.6%

Notes

- (1) Standard is 95%, monthly average of all trains arriving at terminus within seven minutes of schedule.
- (2) Preventable accident is when the operating employee(s) failed to do everything reasonable to prevent it.

ST EXPRESS BUS

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

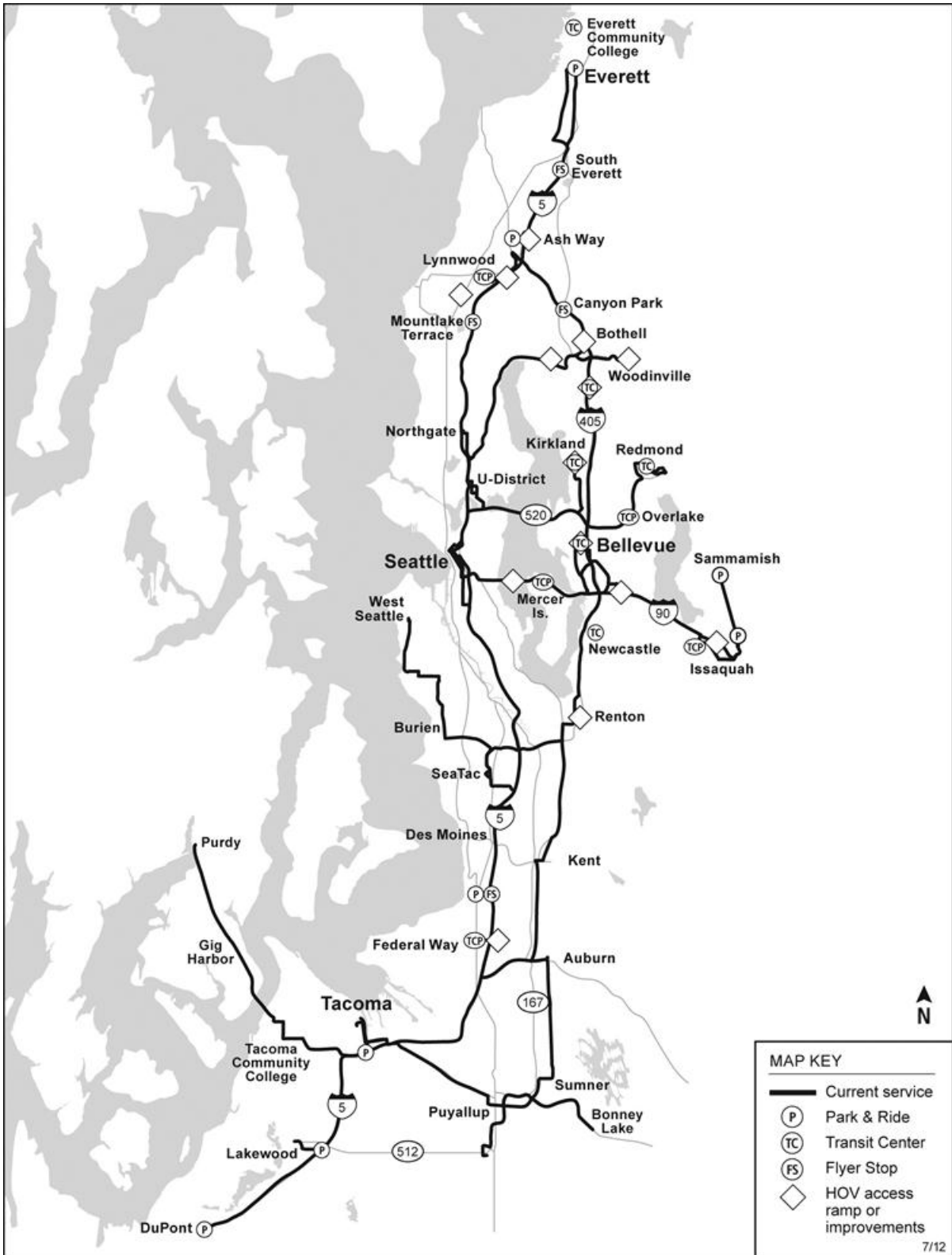
Sound Transit provides 271 buses to support ST Express service. The bus fleet is maintained by transit partners King County Metro (110 buses), Pierce Transit (105 buses), and Community Transit (56 buses). ST Express service is supported by 11 transit centers and nine park-and-ride lots.

Service levels are expected to remain the same as in 2012. However, staff will be proposing some service re-alignment, including not retiring some buses, in order to get a few service enhancements when ridership demand is high.



ST Express Bus

ST EXPRESS BUS SERVICE ROUTE



ST EXPRESS BUS BUDGET

(in thousands)	2011 Actual	2012 Amended	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	233	249	248	249
Benefits	121	133	139	128
Subtotal	355	381	386	378
Services				
Marketing and Rider Information	134	241	173	225
Fare Collection	468	673	563	1,110
Maintenance of Vehicles	187	125	1	75
Facilities Maintenance	941	1,755	847	1,482
Downtown Seattle Transit Tunnel	4,075	2,457	2,556	3,000
Security and Safety	904	845	894	1,475
Miscellaneous Services		8	9	
Subtotal	6,710	6,103	5,041	7,368
Materials & Supplies	81	162	87	75
Purchased Transportation Services	82,930	88,902	86,052	92,815
Miscellaneous Expenses	193	192	173	170
Lease and Rentals	219	2,166	2,189	2,400
Other Expenses				
Utilities	457	434	481	443
Insurance	30	19	46	19
Taxes	526	479	625	480
Subtotal	1,013	931	1,153	942
Transfer of Administrative Expenses	5,214	4,639	5,404	5,592
Mode Total	96,715	103,477	100,486	109,739

ST Express Budget Analysis

ST Express's budget increases in 2013 to \$109.7 million, up 6.1 percent from \$103.5 million in 2012.

RECONCILIATION OF AMENDED 2012 TO ADOPTED 2013 ST EXPRESS BUDGET (in thousands)

Amended 2012 ST Express Budget		\$ 103,477
Changes	% Change	\$ Change
Increased Activities	0.6%	632
Changes to Base Costs	5.4%	5,630
Total Change	6.1%	6,262
Adopted 2013 ST Express Budget		\$ 109,739

Numbers may not add due to rounding.

Activity Increase

- Safety and security costs are higher by \$0.6 million percent due to an increase in the personnel hours provided by security contractors and a change in the percentage allocation of shared costs to the modes to better reflect current security officer deployment patterns.

Changes to Base Costs

- Purchased transportation is higher by \$3.9 million, including a new contract between Community Transit and its contracted service provider, First Transit. Sound Transit's share of the partner overhead has increased as Community Transit has reduced their own service levels.
- Agency Administrative expense allocations increased \$1 million for 2013 due to an increase in the percentage allocation to Service Delivery.
- King County has reduced its bus service in the Downtown Seattle Transit Tunnel, resulting in an increase in the Sound Transit share of DSTT operating and maintenance and debt service costs from 40 to 46 percent. As a result, DSTT lease and maintenance costs are higher by \$0.8 million. Central Link and ST Express split Sound Transit's share of the DSTT costs.
- Fare collection increased by \$0.4 million due to ST Express taking a higher share of these costs in 2013.
- Lakewood and South Tacoma station maintenance costs were moved to Sounder's budget, resulting in a substantial reduction in the ST Express budget.

ST Express Performance Statistics Analysis

- We expect 15.3 million boardings for the year.
- Operating expenses are 6.1 percent higher and service hours are relatively stable, down just 0.5 percent, therefore, cost per platform hour are higher in 2013 by about 7.2 percent.
- Boardings are expected to increase by about 11 percent yielding a cost per boarding 4.3 percent lower than in 2012, a reduction from \$7.50 to \$7.17 per boarding.
- ST Express cost per revenue hour is projected to increase from \$183.09 in 2012 to \$194.57 in 2013, an increase of 6.2 percent.
- Excluding fuel cost changes, cost per revenue hour is higher by 6.8 percent compared to 2012.
- Excluding fuel cost changes, cost per boarding is projected at \$6.39 for 2013, a decrease of -3.8 percent from 2012 cost of \$6.64.

ST EXPRESS BUS PERFORMANCE STATISTICS

Performance Statistics	2011 Actual	2012 Amended	2012 Actual	2013 Adopted	2013 v 2012 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated ⁽¹⁾	553,178	565,000	549,860	564,000	-0.2%
Revenue Vehicle Miles Operated	11,627,380	11,600,000	11,519,025	11,580,000	-0.2%
Trips Operated	454,619	445,000	453,004	444,000	-0.2%
Platform Hours ⁽²⁾	691,281	701,495	689,591	698,000	-0.5%
Service Consumed					
Total Boardings	13,664,664	13,800,000	15,430,663	15,300,000	10.9%
Average Weekday Boardings	47,078	49,050	53,098	53,043	8.1%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	24.7	24.4	28.1	27.1	11.1%
Total Boardings/Trip	30.1	31.0	34.1	34.5	11.1%
Percentage of Scheduled Trips Operated	99.9%	99.8%	99.7%	99.8%	0.0%
On-time Performance ⁽³⁾	88.7%	85.0%	88.3%	85.0%	0.0%
Complaints per 100,000 Boardings	14.0	15.0	15.0	15.0	0.0%
Preventable Accidents per 100,000 platform miles ⁽⁴⁾	0.67	< 0.80	0.77	< 0.80	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)⁽⁵⁾	\$96,714,334	\$103,477,261	\$100,485,813	\$109,739,015	6.1%
Cost/Revenue Hour	\$174.83	\$183.15	\$182.75	\$194.57	6.2%
Cost/Platform Hour	\$139.91	\$147.51	\$145.72	\$157.22	6.6%
Cost/Boarding	\$7.08	\$7.50	\$6.51	\$7.17	-4.3%
Fuel Costs	\$10,067,755	\$11,805,256	\$9,826,364	\$12,000,000	1.6%
Operating costs (less fuel and depreciation)	\$86,646,579	\$91,672,005	\$90,659,449	\$97,739,015	6.6%
Cost/Revenue Hour	\$156.63	\$162.25	\$164.88	\$173.30	6.8%
Cost/Platform Hour	\$125.34	\$130.68	\$131.47	\$140.03	7.2%
Cost/Boarding	\$6.34	\$6.64	\$5.88	\$6.39	-3.8%

Notes

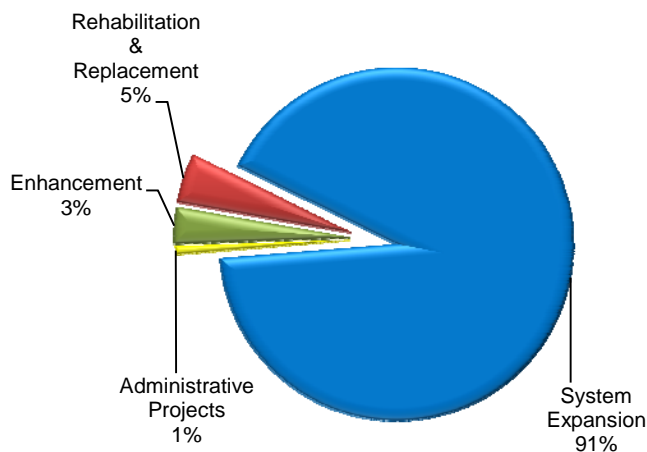
- (1) Revenue hours: The aggregation of time during which service is available to carry passengers.
- (2) Platform hours: The aggregation of time during which a transit vehicle leaves the operating base, is available for service and returns to the operating base, including layover and deadhead time.
- (3) Per the performance standards set in the service agreements with the transit partners, the standard is 90 percent 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 per 100,000 platform miles.
- (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.

Project Delivery

Sound Transit is developing and operating regional transit infrastructure through two major voter-approved programs: Sound Move, approved in 1996, and Sound Transit 2 (ST2), approved in 2008. Transit infrastructure planning, design, and construction account for the majority of the agency's annual budget. Sound Transit's project delivery budget for 2013 is \$706 million. The budget is one year of expected project expenditures. The 2013 Transit Improvement Plan (TIP) includes six years of cash flow forecasts (beginning with the budget year) for all active projects as well as historical, future, and total Board-approved budget amounts.

With the adopted 2013 budget and 2013 TIP, our presentation of projects has changed. Projects are now categorized by project type, defined below, and then by transit mode: Link, Sounder, Regional Express and Other (non-mode specific).

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



PROJECT DELIVERY (in thousands)

System Expansion	646,034
Enhancement	23,631
Rehabilitation & Replacement	31,476
Administrative Projects	5,051
Total	\$706,191

2013 Highlights

- Advancing construction of light rail extensions north to Northgate and south to S. 200th.
- Advancing design efforts for a light rail extension east to Bellevue and Redmond and planning efforts for extensions north to Lynnwood and south to Federal Way.
- Identifying and evaluating options for expanding Tacoma Link.

- Continuing construction of the First Hill Street Car.
- Improving service by replacing buses, updating onboard communications to enhance safety and comfort, and maintaining in-service assets in a state of good repair.
- Exploring expansion potential beyond our Sound Move and ST2 programs.
- Continuing investment in our regional fare collection system, expanding sales of the ORCA card, and deploying systems that improve efficiency and productivity.

System Expansion – Link Light Rail

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

2013 Highlights

The 2013 budget totals \$496.7 million including funding for these major Link light rail projects:

- \$166.7 million to continue construction of the extension from downtown Seattle to the University of Washington (UW).
- \$91.9 million to advance design of a light rail extension east to Bellevue and Redmond's Overlake neighborhood.
- \$83.8 million to advance design of the light rail extension north to Northgate, continue early work at station locations (building demolition, utility relocation, hazardous materials abatement, and station box excavation).
- \$72.2 million to extend light rail south of the Airport to South 200th Street through a design/build contracting strategy.
- \$55.4 million to continue to fund development of a streetcar connector from Seattle's Capitol Hill to International District/Chinatown Station.
- \$18.5 million to continue project development for light rail extensions south of South 200th Street to Federal Way and conduct an environmental review for the North Corridor from Northgate to Lynnwood.
- \$4.2 million for site selection and preliminary engineering designs for the Link Light Rail maintenance facility.
- \$2.6 million for continued alternative analysis, community engagement with the city of Tacoma and Pierce Transit on the expansion options of Tacoma Link.

LINK LIGHT RAIL PROJECTS

(in thousands)

Project	Description	2013 Activities	2013 Budget
South 200 th Link Extension	Extends light rail along an elevated track from Airport Station to an elevated station and park-and-ride facility at South 200 th Street. Sound Transit has retained a contractor to finalize the project design and complete construction.	Continue with design/build project development.	\$72,152
Federal Way Transit Extension	Planning for expansion of light rail south of S. 200 th including an extension to Federal Way.	Identify and evaluate routes and station locations for the Federal Way extension.	\$8,120
University Link – Pine St Stub Tunnel to UW Station	Extends light rail 3.15 miles from downtown Seattle to the UW.	Continue construction between the UW and Seattle.	\$166,724
Northgate Link Extension	Extends light rail 4.3 miles from UW Station north under the UW campus to underground stations at NE 45 th Street and NE 65 th Street and to an elevated station in Northgate.	Advance final design, continue early construction work at station locations (demolition, removal of hazardous materials, and site preparation) and excavation of station boxes, and acquire right-of-way. Procure tunneling contract.	\$83,845
Lynnwood Link Extension	Extends light rail over eight miles north from Northgate to Lynnwood.	Continue development of the draft environmental impact study and preliminary engineering.	\$10,399
East Link	Expands light rail to East King County via I-90, from downtown Seattle to the Overlake Transit Center in Redmond.	Acquire right-of-way and continue final design.	\$91,851
Tacoma Link Expansion	Studies the potential to expand Tacoma Link in partnership with the city of Tacoma and Pierce Transit.	Continue alternative analysis and preliminary engineering.	\$2,628
First Hill Streetcar	Plan, design, and construct a streetcar from Capitol Hill to the International District Station. Provides a capped contribution of \$79 million to the city of Seattle-lead agency for the project.	Advancing system construction.	\$55,420

Project	Description	2013 Activities	2013 Budget
Link Light Rail Maintenance & Storage	Review and evaluate current and future light rail storage and maintenance requirements and initiates development, design, and construction of future light rail operations, and maintenance facilities to support proposed system expansion.	Board selects preferred site and environmental and PE design activities continue.	\$4,249
Initial Segment	Plan design and construct 13.9 mile light rail line between downtown Seattle and South 154 th Street in the City of Tukwila.	Project Closeout	\$882
Airport Link	Plan, design, and construct a 1.7 mile light rail segment to connect the Initial Segment to the Sea-Tac International Airport.	Project Closeout	\$400
Total System Expansion – Link Light Rail			\$496,669



Central Link Light Rail
Columbia City Station

System Expansion – Sounder Commuter Rail

Since its debut in 2000, Sounder 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 Sounder stations. In addition, 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, which is owned by Sound Transit, opened in October 2012.

2013 Highlights

The 2013 budget totals \$91.1 million including funding for these major Sounder commuter rail projects:

- \$50.7 million for the acquisition of an easement from BNSF which will add one additional round trip between Seattle and Lakewood.
- \$11.0 million for the construction of Tukwila Station.
- \$8.4 million for the Sounder Layover project completion and closeout.
- \$4.3 million for Mukilteo Station, South Platform. Construction will begin in 2013.
- \$3.4 million for planning and preliminary engineering of a Sounder Yard and Shops Facility.
- \$2.8 million for the completion of the track and signal project from D Street to M Street in Tacoma.

SOUNDER COMMUTER RAIL PROJECTS

(in thousands)

Project	Description	2013 Activities	2013 Budget
Station Access and Demand Study	Develop a comprehensive access improvements plan for eight Sounder stations.	Project closeout	\$357
Sounder Yard and Shops Facilities	Evaluates commuter rail vehicle storage and maintenance requirements and strategies, to identify cost-efficient ways to develop commuter rail operations and maintenance facilities.	Continue preliminary engineering, environmental planning, and site selection.	\$3,418
Puyallup Station Improvements	Improves station access.	Review of alternatives and initiation of preliminary engineering and environmental review for station access improvements.	\$281
Sumner Station Improvements	Improves station access.	Review of alternatives and initiation of preliminary engineering and environmental review.	\$281

Project	Description	2013 Activities	2013 Budget
Lakewood Station Improvements	In partnership with the city of Lakewood, design and construct a pedestrian overpass connecting Lakewood Station with the community northwest of the station.	Financial contribution to the construction of pedestrian crossing.	\$1,142
M-Street – Lakewood Track & Signal	Reconstruction of approximately 7 miles of existing track between M Street in Tacoma and Lakewood.	Service start follow-up and project closeout.	\$1,246
Permitting/Environmental Mitigation	Environmental permitting and mitigation required for track and signal improvements between Everett and Seattle, per our agreement with BNSF.	Complete final mitigation program; monitor and maintain mitigation measures that have been implemented.	\$1,979
D Street – M Street Track and Signal	Design and construct a 1.4 mile rail extension between Tacoma Dome Station and M Street in Tacoma.	Service start follow-up and project closeout.	\$2,763
Layover	Design and construct facilities for overnight train layovers at Everett Station, King Street Station, Tacoma's L Street, and Lakewood.	Complete Lakewood layover and project closeout.	\$8,430
Mukilteo Station, South Platform	Design and construction of a south boarding platform at Mukilteo Station.	Begin construction.	\$4,338
Tukwila Station	Tukwila is currently served by a temporary boarding platform. This project includes design and construction of a permanent boarding platform and station amenities.	Begin construction.	\$11,035
Souder South Expanded Service	Includes one easement, track and signal improvements, environmental permitting, and mitigation for four additional daily round trips between Seattle and Lakewood.	Purchase the final easement and continue with environmental planning and permitting.	\$50,722
South Tacoma Station	Design and construction of a commuter rail station in South Tacoma.	Project closeout.	\$122
Reservation Junction Track and Signal	Design and construction of additional track and new structures between Tacoma Dome Station and near M Street in Tacoma.	Conceptual engineering and site data collection to inform preliminary engineering.	\$655
Souder ST2 Fleet Expansion	Expand fleet to accommodate additional trips between Seattle and Lakewood.	Purchase of three locomotives in 2012 and 2013.	\$4,196

Project	Description	2013 Activities	2013 Budget
Lakewood Station	Design and construction of a multi-purpose bus and rail commuter parking facility supporting 600 parking stalls.	Project closeout	\$13
Edmonds Station	Improve the existing station by adding protected and secure facilities for bike storage.	Project closeout	\$86
Willow Creek Environmental Mitigation	Final design and construction of a bridge that will allow Willow Creek to cross under the railroad tracks.	Project closeout	\$1
Total System Expansion – Sounder Commuter Rail			\$91,065



Sounder Commuter Rail North Line

System Expansion – Regional Express

Sound Transit has designed and constructed transit centers, park-and-ride lots, HOV direct access freeway ramps, and other transit access improvements throughout the three-county region to support express bus service. Regional express bus service began in 1999 and today carries about 14 million passengers annually on 25 routes.

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

2013 Highlights

The 2013 budget totals \$33.3 million including funding for these major Regional Express projects.

- \$12.5 million for design of the Two-Way Transit & HOV Operations Stage 3 project over the I-90 Bridge to mitigate traffic impacts as Link light rail is built over the bridge's center lane.
- \$10.9 million for four (4) projects with capped contributions led by other jurisdictions.
- \$3 million for planning and preliminary design work on the ST Express bus base and final design and construction of the Mid-Day Bus Storage facility.

REGIONAL EXPRESS PROJECTS

(in thousands)

Project	Description	2013 Activities	2013 Budget
ST Express Bus Base	Planning and preliminary design for a bus operations and maintenance base to improve cost efficiency of ST Express Bus operations and maintenance.	Continue preliminary engineering, environmental planning and permitting, and site selection.	\$2,527
ST Express Mid-Day Bus Storage	Design and construct a mid-day bus storage facility as an alternative to parking buses at the Link Operations and Maintenance Facility (OMF) when the parking area at the OMF is no longer available.	Final design and initiation of construction of a mid-day bus storage facility.	\$489
Ashway Transit Access	Design and install transit access ramps at 164 th Street & I-5 in Snohomish County	Project closeout.	\$4
Federal Way HOV Access	Design and construct a access ramp to I-5 from the Federal Way Transit Center with roundabout to avoid congestion at the S320th and I-5 interchange	Project closeout.	\$26
Totem Lake Freeway Station/NE 128 th	Design and construction of an I-405 overpass and bus boarding platforms accessible from I-405 HOV lanes.	Project closeout.	\$501

Project	Description	2013 Activities	2013 Budget
85 th Corridor, Kirkland	Financial contribution to the city of Kirkland for street widening, traffic signals, sidewalk improvements, and bus shelters to enhance transit connections and reliability.	Fund commitment for remaining city-led right-of-way acquisition and construction.	\$2,069
Kirkland Transit Center/3rd	Design and construct transit center and intersection improvements in downtown Kirkland.	Financial contribution for city-led intersection improvements in Kirkland.	\$580
Rainier Avenue Arterial Improvements	In partnership with the city of Renton design and construction of business and transit access lanes, sidewalks, and medians on Hardie Ave. between Rainier Ave. and Sunset Blvd.	Financial contribution for on-going construction led by the city of Renton.	\$5,792
Strander Boulevard Extension	Sound Transit is contributing to the first phase of this project which is construction of an underpass (bridge) at the BNSF tracks & Strander Blvd. Upon completion of future phases of the project, including a crossing at the Union Pacific Railroad (UPRR) the underpass will enhance commuter access to the Tukwila Sounder Station.	Fund commitment for on-going construction led by the city of Renton.	\$2,527
Mountlake Terrace Freeway Station/236 th SW	Design and construct freeway transit station for improved bus service and reliability.	Follow on construction to improve operational efficiencies. Project closeout.	\$4,080
S Everett Freeway Station/112 th SE	Design and construct freeway transit station for improved bus service and reliability.	Project closeout.	\$153
Federal Way Transit Center/S 317 th	Opened in 2006.	Resolve outstanding claims and close project.	\$1,559
Canyon Park Freeway Station/I-406	Freeway station and pedestrian overpass from the Canyon Park and Ride.	Project closeout.	\$37
Issaquah Transit Center/SR900	Transit Center and Park and Ride.	Project closeout.	\$27
I-90 Two-Way Transit & HOV Operations, Stage 1	Design and construction of an HOV lane in the westbound outer roadway between Bellevue and Mercer Island.	Project closeout.	\$32
SR522 HOV Enhancements	Widening of SR522 to allow north and southbound business access and BAT lanes.	Project closeout	\$4

Project	Description	2013 Activities	2013 Budget
I-90 Two-Way Transit & HOV Operations, Stage 2	Provides HOV and transit operations capacity on eastbound I-90 between 80 th Avenue SE on Mercer Island to Bellevue Way.	Project closeout.	\$348
I-90 Two-Way Transit & HOV Operations, Stage 3	Provides two-way transit and HOV lanes eastbound and westbound, on I-90 between 80 th Avenue SE on Mercer Island and Rainier Avenue/I-5 in Seattle.	Advance final design work.	\$12,522
Total System Expansion – Regional Express			\$33,277



ST Express Bus

System Expansion – Other

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

2013 Highlights

The 2013 budget totals \$25.0 million including funding for these system expansion projects:

- \$7.8 million for HCT Corridor Planning Studies to identify and evaluate high-capacity transit improvement options along eight transit corridors for improvements beyond the ST2 study.
- \$5.2 million for research & technology projects including a regional data repository, real-time, customer facing applications and improved station signage systems.
- \$3.5 million for public art installed at stations including Capitol Hill and University of Washington.
- \$3.3 million to complete South Corridor Alternatives Planning to extend transit between Federal Way and Tacoma.
- \$2 million for ST3 Planning for studying the future expansion of the regional transit system beyond the Sound Move and ST2 capital programs.
- \$2 million to begin to investigate high-capacity transit between Ballard and downtown Seattle in partnership with the city of Seattle.

SYSTEM EXPANSION - OTHER

(in thousands)

Project	Description	2013 Activities	2013 Budget
HCT Corridor Planning Studies	Study and review the High Capacity Transit Corridors within the regional transit system	Begin the initial stages of the studies and implement a schedule to have the corridor studies completed by 2015	\$7,760
ST3 Planning	Update the Regional transit system long range plan and supporting environmental documentation	Establish the initial planning schedule and develop schedule to complete the long range plan by 2015	\$2,000
STart	Oversee the agency's public art program. Manage temporary art installations at construction sites. Conduct maintenance, cleaning, and repair of artwork.	Art commissions for remaining Sound Move projects will be finalized in 2013.	\$3,475

Project	Description	2013 Activities	2013 Budget
Fare Administration	Manage fares and pricing for Sound Transit. Support initiatives for generating earned revenue from other priced services such as parking and concessions. Fund upgrades to the ORCA system.	Monitor fare revenue, track performance, ORCA marketing.	\$714
Research & Technology	Assess and implement technologies to improve passenger safety, security, service, and information.	Initiate Phase I including: regional data repository, real-time, customer facing applications, and improved station signage systems. Deliver real time web and mobile for Sounder and Link passenger. Complete parking information study. Deliver the first phase of the regional data repository.	\$5,166
Ballard-to-Downtown Seattle HCT Planning Study	Partner with the city of Seattle to identify and evaluate high capacity transit alternatives between downtown and the Ballard neighborhood of Seattle.	Initiate alternatives identification and evaluation.	\$1,964
South Corridor Alternatives Planning	Identify and evaluate transit alternatives between Federal Way and Tacoma for future transit development.	Transit planning in the south corridor between Federal Way and Tacoma.	\$3,254
Ticket Vending Machines (TVM)	Install ticket vending machines at facilities throughout the regional transit system.	Continue installation of TVM as facilities enter service, maintain existing TVMs, and evaluate upgrades and enhancements	\$227
Passenger Information Systems/CCTV	Development and installation of on-board and station communication systems both verbal and visual in Sounder trains and stations.	Continue installation in Tukwila station and corridor work between Tacoma and Lakewood.	\$463
Total System Expansion – Other			\$25,022

Enhancements

Enhancement projects improve system performance or service efficiencies. Once assets are in service there are opportunities to decrease operating costs and improve performance.

2013 Highlights

The 2013 budget totals \$23.6 million including funding for these major enhancement projects:

- \$10.6 million for positive train control, federally mandated to be operational by December 2015.
- \$3.9 million for noise abatement in Tukwila and Rainier Valley.
- \$1.1 million for LRV (light rail vehicle) On Board Energy Storage, a pilot project partially funded by a Transportation Investment Generating Economic Recovery (TIGGER) grant.
- \$1.0 million for the continued install of Overhead Catenary System Tie Switches to allow inspections and maintenance of the system to occur while Link continues to operate.

ENHANCEMENT PROJECTS

(in thousands)

Projects	Description	2013 Activities	2013 Budget
LINK LIGHT RAIL			
Central Link Overhead Catenary System Tie Switch	Install tie switches to connect the overhead catenary system (electrical lines that power light rail trains) sections so traction power substations can be inspected and maintained without interrupting Link service.	Continue with installation of tie switches; completion expected in 2014.	\$1,000
LRV Onboard Energy Storage	Design, procure, and install energy storage units on vehicles for capturing and storing energy generated by vehicle braking to lower energy consumption and reduce operating costs.	Design, procure, and install the LRV onboard energy storage.	\$1,121
Noise Abatement Program	Installation of rail lubricators, rail grinding, erection of noise barriers and retrofit of residential properties to lessen noise near rail facilities in Tukwila and the Rainier Valley.	Design and construction of a noise wall along elevated guideway in Tukwila and continuation of Residential Sound Insulation Program (RSIP) in the Rainier Valley.	\$3,914
Central Link Card Readers	Install card readers on Central Link doors to improve security and eliminate the need to issue keys to all staff requiring access.	Complete card reader installation.	\$373

Projects	Description	2013 Activities	2013 Budget
Central Link OMF UPS Room Improvement	Add environmental controls to the OMF UPS Room to maximize UPS battery life expectancy.	Complete design and installation of environmental controls	\$108
Benchtest Equipment	Light rail vehicle maintenance requires equipment to test components of the vehicle propulsion system.	Purchase and install light rail vehicle propulsion testing equipment.	\$700
HVAC for Traction Power Sub Station (TPSS)	Install HVAC systems in substations to maximize useful life of equipment.	Install HVAC systems.	\$598
Non-revenue Support Vehicles	Purchase a boom truck to facilitate repair and maintenance along the guideways.	Purchase a boom truck.	\$620
Central Link HVAC – Instrument House & UPS Room	Install air conditioning in UPS rooms and signal houses to reduce the potential impact of high temperatures on system operations components.	Design and install HVAC systems.	\$419
Link LRV Wash Bay Doors	Installation of doors in the Link OMF wash bay to close the area from the weather in the winter	Project close out	\$112
Link OMF Laydown Area Improvements	Design and install laydown area where construction trailers once resided	Project close out	\$49
DSTT South Access Security	Design and construction of barriers and other deterrents to the south entrance of the Downtown Seattle Transit Tunnel	Project close out	\$88

SOUNDER COMMUTER RAIL			
Positive Train Control (PTC)	Design and installation of systemwide remote operations monitoring and control system to minimize the risk of train collisions.	Procure vendor and design and install trackside and vehicle PTC elements.	\$10,632
Security Enhancements	Upgrade of existing CCTV systems at Sounder Stations	Project closeout.	\$260
Parking Enhancements	Expand commuter rail parking in the Seattle-Tacoma Corridor	Project closeout.	\$839

ST EXPRESS BUS			
Bus Maintenance Facility	Expand bus fleet maintenance capacity internally or by investing in projects managed by third-party providers.	Identify sites and evaluate alternatives for expanding maintenance bases currently servicing the ST Express bus fleet.	\$200
ST Express Mobile Communication Projects	Upgrade mobile communications systems to be compatible with our transit partners, ensuring safety and improving customer service planning information.	Complete installations on buses and project closeout.	\$100
ST Express Security Camera Retrofit	Install video surveillance cameras on buses.	Complete installations and project closeout.	\$209

OTHER			
Federal Way Transit Center Lighting Retrofit	Replace existing lighting with more energy efficient fixtures and bulbs.	Install new lighting and project closeout.	\$579
Security Radios	Procure radios for security and fare enforcement personnel to enhance communications between the various Sound Transit facilities and outside agencies including emergency responders.	Procure and assign radios to security team.	\$340
Bike Locker Program	Install bike parking at various Sounder, Link and ST Express stations and other bike and pedestrian amenities.	Install Bike lockers at Sumner and Puyallup Sounder Stations.	\$441

TOD Property Disposition	Prepares TOD-relevant property for sale through due diligence, evaluating potential opportunities, and creating partnerships.	Prepare land parcels near Capitol Hill Station for redevelopment. Perform due diligence of properties at Mount Baker, Othello, and Columbia City stations.	\$845
TOD Planning	Identify and shape TOD and joint development opportunities on Sound Transit owned property located near close to transit stations.	Focus on Central Link station area redevelopment opportunities with local jurisdictions, property owners, and public and private developers.	\$85
Total Enhancement			\$23,631

Rehabilitation & Replacement

Projects that extend the life of existing assets and replace existing assets or major components of assets at the end of their useful life.

2013 Highlights

The 2013 budget totals \$31.5 million including funding for these rehabilitation and replacement projects:

- \$22.0 million to replace 42 ST Express buses.
- \$4.5 million to execute planned Sounder Vehicle Maintenance Program for 2013.

REHABILITATION & REPLACEMENT PROJECTS

(in thousands)

Projects	Description	2013 Activities	2013 Budget
TACOMA LINK			
Tacoma Link LRV Communications Upgrade	Replace outdated communications system.	Procure and install new communications system for Tacoma Link.	\$361
LINK LIGHT RAIL			
Beacon Avenue Paving	Follow on site restoration activities from Initial Segment construction.	Roadway restoration of Beacon Avenue.	\$2,000
Link Station Paver Replacement	Replacement of tactile pavers at Initial Segment SODO Station.	Paver replacement at the SODO Station.	\$500
Network Phones at the Link Control Center	Replace communications system that allows Link operators to communicate without interference with the Link Control Center.	Replace the existing emVista system in the Link Control Center.	\$200
SOUNDER COMMUTER RAIL			
Sounder Vehicle Maintenance Program	Overhauls of locomotives, engines, train cars, and replacement of passenger door motors.	Overhaul 3 locomotive engines, and 12 passenger cars. Replace 24 passenger door motors.	\$4,547
Station Midlife Maintenance	Fund maintenance projects at stations that have been in service for more than ten years.	Complete maintenance at Auburn, Sumner, Puyallup, Tukwila, and King Street stations and Kent Garage and South Hill Park and Ride.	\$638

ST EXPRESS BUS			
ST Express Fleet Replacement	Purchase 106 replacement buses during the period 2011 – 2017.	Replace 42 forty-foot buses.	\$22,046
Federal Way: Post Tension Cable Repair	Remediate post tension cables that reinforce the structural slab at the garage. Water penetration puts the cables at risk for rusting.	Complete the remediation of the post tension cables	\$525
OTHER			
Small Works Program	Repair or replace of in-service assets when the total cost is less than \$200,000.	Funded based on number and age of existing assets.	\$656
Tacoma Link Auxiliary Power Supply Replacement	Procurement and installation for the replacement of existing power supply which has reached the end of its useful life.	Complete the replacement	\$5
Total Rehabilitation & Replacement			\$31,476

Administrative Projects

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

2013 Highlights

The 2013 budget totals \$5.1 million including funding for these administrative projects:

- \$3.4 million for major IT projects in 2013 include implementation of an integrated budgeting system and an enterprise asset management system.
- \$1.1 million to purchase 12 non-revenue fleet vehicles and improvements for administrative facilities.

ADMINISTRATIVE PROJECTS

(in thousands)

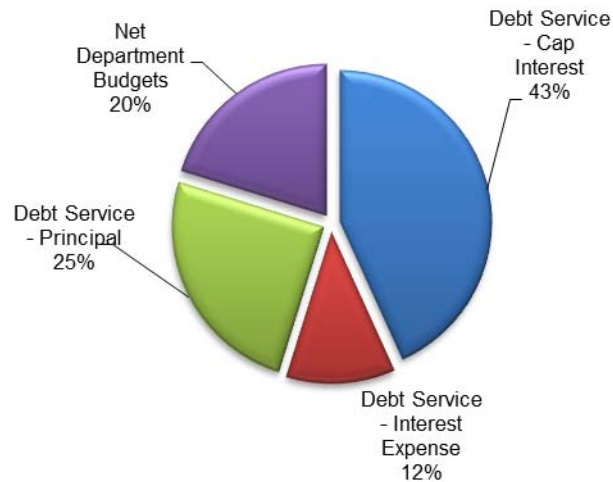
Projects	Description	2013 Activities	2013 Budget
OTHER			
Surplus Property Disposition	Prepares agency-owned surplus property for sale over the next four years. Because of size or location, these properties are not considered to have TOD potential.	Prepare properties for sale near the Mount Baker and Columbia City Stations.	\$227
Environmental Mitigation Monitoring and Maintenance	Perform ongoing environmental monitoring and maintenance post-construction, for up to 10 years after mitigation is completed.	Monitor and maintain wetland enhancements and other environmental mitigation measures associated with projects that are in service in accordance with permit requirements.	\$398
Administrative Capital	Equipment or other purchases to support administrative activities.	Purchase 12 non-revenue fleet vehicles, update Union Station building control system, and build out additional tenant improvements in leased office space.	\$1,066
Information Technology Program	Invests in new IT hardware and software to improve productivity and ensure system integrity.	Install new fully integrated Budgeting System and continue to design and implement Enterprise Asset Management System.	\$3,360
Total Administrative			\$5,051

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Agency Administration

Sound Transit's agency administration budget of \$133.2 million includes departmental costs and debt service. Budgets for Sound Transit's seven departments include all employee-related costs plus costs managed on behalf of the agency. Department budgets for 2013 are \$92 million, 4.6 percent higher than the amended 2012 budget.

AGENCY ADMINISTRATION BUDGET SUMMARY



AGENCY ADMINISTRATION

(in thousands)

Department Budgets	\$91,982
Direct Charges to Project Delivery	(\$29,553)
Allocations to Capital Assets	(\$21,885)
Allocations to Service Delivery	(\$13,609)
Net Department Budgets	\$26,934
Debt Service – Capitalized Interest	\$57,593
Debt Service - Interest Expense	\$15,434
Debt Service – Principal Repayment	\$33,250
Total	\$133,211

Department Budgets

2013 Highlights

- 2013 department budgets increased by \$4 million or 4.6 percent over the amended 2012 budget.
- Salaries and benefits are 6 percent higher while non-salary and benefits are up just 1 percent.
- Funding for 28.5 new positions is included for 2013 with two-thirds to be assigned to work directly on capital projects. This increases administrative staff by 6 percent to 582 full-time equivalents.
- Government & Community Relations division transferred from Communications & External Affairs Department to the Executive Department, and Security division transferred from Executive Department to the Operations Department.

DEPARTMENT BUDGETS SUMMARY

(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	33,672	40,085	38,566	42,746
Benefits	18,532	22,072	20,965	23,133
Subtotal:	52,204	62,157	59,531	65,879
Services				
Temporary Services	341	467	378	372
Consultant/Management	2,772	4,032	2,323	3,518
Interlocal Agreements	2,558	2,447	2,606	2,816
Accounting/Auditing	630	773	592	830
Legal	156	474	552	399
Advertising/Marketing	1,149	1,857	1,142	1,722
Security Services	217	402	157	199
Software/Hardware Maintenance	1,401	1,830	1,384	2,116
Maintenance	790	1,218	780	1,228
Other Services	559	1,140	773	1,076
Subtotal:	10,574	14,640	10,688	14,275
Materials and Supplies				
Office Supplies	274	484	333	435
Small Equipment/Furniture	924	817	801	795
Other Materials/Supplies	357	368	395	380
Subtotal:	1,555	1,669	1,529	1,610
Utilities				
Telecommunications	419	513	411	558
Gas/Electric	145	164	130	173
Water/Sewer	52	64	107	54
Subtotal:	615	741	648	785
Insurance				
Insurance	2,199	2,298	1,812	2,578
Subtotal:	2,199	2,298	1,812	2,578
Taxes				
Taxes	2	4	75	4
Subtotal:	2	4	75	4
Miscellaneous				
Advertising/Promotion Media	1,337	1,170	1,143	1,027
Travel/Meetings	279	482	277	550
Training	202	249	258	303
Dues/Memberships	303	372	256	394
Books/Subscriptions	110	86	125	104
Contingency	0	250	0	350
Other Misc.Expense	83	222	182	238
Subtotal:	2,313	2,832	2,241	2,965
Interest				
Interest	1	1	0	0
Subtotal:	1	1	0	0
Leases and Rentals				
Vehicles/Parking	264	288	319	300
Admin.Facilities	2,662	3,112	3,022	3,213
Furniture/Equipment	146	171	108	281
Meeting Space	52	58	52	92
Subtotal:	3,124	3,629	3,502	3,885
* Department Budgets Summary Total:	\$72,586	\$87,969	\$80,026	\$91,982

In 2013, Department Budgets include Property Management costs previously reported in the Non-operating budget.

DEPARTMENT BUDGETS SUMMARY OF CHANGES

(in thousands)	2012 Budget	2013 Adopted	\$ Change	% Change
Salaries & Benefits				
Salaries	40,085	42,746	2,662	6.6%
Benefits	22,072	23,133	1,061	4.8%
Subtotal:	62,157	65,879	3,723	6.0%
Services				
Temporary Services	467	372	-95	-20.4%
Consultant/Management	4,032	3,518	-515	-12.8%
Interlocal Agreements	2,447	2,816	369	15.1%
Accounting/Auditing	773	830	58	7.4%
Legal	474	399	-75	-15.8%
Advertising/Marketing	1,857	1,722	-135	-7.3%
Security Services	402	199	-203	-50.5%
Software/Hardware Maintenance	1,830	2,116	286	15.6%
Maintenance	1,218	1,228	11	0.9%
Other Services	1,140	1,076	-64	-5.6%
Subtotal:	14,640	14,275	-365	-2.5%
Materials and Supplies				
Office Supplies	484	435	-49	-10.1%
Small Equipment/Furniture	817	795	-22	-2.6%
Other Materials/Supplies	368	380	12	3.3%
Subtotal:	1,669	1,610	-58	-3.5%
Utilities				
Telecommunications	513	558	45	8.7%
Gas/Electric	164	173	9	5.6%
Water/Sewer	64	54	-10	-16.0%
Subtotal:	741	785	44	5.9%
Insurance				
Insurance	2,298	2,578	280	12.2%
Subtotal:	2,298	2,578	280	12.2%
Taxes				
Taxes	4	4	0	-4.8%
Subtotal:	4	4	0	-4.8%
Miscellaneous				
Advertising/Promotion Media	1,170	1,027	-143	-12.2%
Travel/Meetings	482	550	68	14.1%
Training	249	303	53	21.4%
Dues/Memberships	372	394	22	5.8%
Books/Subscriptions	86	104	17	20.1%
Contingency	250	350	100	40.0%
Other Misc.Expense	222	238	17	7.5%
Subtotal:	2,832	2,965	134	4.7%
Interest				
Interest	1	0	0	-50.0%
Subtotal:	1	0	0	-50.0%
Leases and Rentals				
Vehicles/Parking	288	300	12	4.1%
Admin.Facilities	3,112	3,213	101	3.2%
Furniture/Equipment	171	281	110	64.4%
Meeting Space	58	92	34	58.3%
Subtotal:	3,629	3,885	256	7.1%
* Department Budgets Summary Total:	\$87,969	\$91,982	\$4,013	4.6%

2012 Budget includes Property Management costs previously reported in the Non-operating budget.

Changes to Department Budgets

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

CHANGES TO DEPARTMENT BUDGETS BY DEPARTMENT

(in thousands)

Department	Adopted 2012 Budget	Adopted 2013 Budget	\$ Change	% Change
Communications and External Affairs ¹	5,659	5,437	(222)	-3.9
Design Engineering & Construction Mgmt ^{2,3}	29,304	30,099	795	2.7
Executive ¹	13,669	14,094	425	3.1
Finance and Information Technology ³	21,751	24,636	2,885	13.3
Legal	2,668	2,735	67	2.5
Operations	8,872	8,671	(201)	-2.3
Planning, Environment & Project Dev	6,047	6,309	263	4.3
Total Department Budgets	\$87,969	\$91,982	\$4,013	4.6

1 In 2013, Government & Community Relations division transferred from CEA to Executive department and Security division transferred from Executive to Operations department. The data above reflects this change.

2 From 2013, non-operating property expenses are budgeted in DECM; 2012 budget is added to DECM in the table above for comparison purposes.

3 From 2013, Central Costs have been eliminated, budget for interlocal agreements for DOR/DOL tax collection fees are budgeted in FIT and administrative facility lease expenses are budgeted in DECM; 2012 budgets are added to the two departments in the table above for comparison purposes.

CHANGES TO DEPARTMENT BUDGETS BY EXPENSE CATEGORY

(in thousands)

Category	Adopted 2012 Budget ¹	Adopted 2013 Budget	\$ Change	% Change
Salaries & Benefits	62,157	65,879	3,722	6.0
Services	14,640	14,275	(365)	(2.5)
Materials & Supplies	1,669	1,610	(59)	(3.5)
Miscellaneous Expenses	2,832	2,965	133	4.7
Leases & Rentals	3,629	3,885	256	7.1
Other Expenses	3,043	3,368	325	10.7
Total Department Budgets	\$87,969	\$91,982	\$4,013	4.6

1 From 2013 non-operating property expenses are budgeted in DECM; 2012 budget is added to expenses in the table above for comparison purposes.

2013 Department Budgets Compared to 2012 Department Budgets

In 2013, our department budgets increase by 4.6 percent to \$92 million. Below is a reconciliation and discussion of the changes between the amended 2012 budget and the adopted 2013 budget.

RECONCILIATION OF 2012 TO 2013 DEPARTMENT BUDGETS (in thousands)

Amended 2012 Department Budgets		\$ 87,969
	% Change	\$ Change
Delivery of the Capital Program	2.2%	1,976
Delivery of Services	0.1%	96
Support of the Larger Organization	0.7%	582
Initiatives	0.7%	589
Changes to Base Costs	0.9%	770
Total Change	4.6%	\$ 4,013
Adopted 2013 Department Budgets		\$ 91,982

Delivery of the Capital Program

Capital program activity is expected to increase slightly in 2013 with major activities associated with transit infrastructure expansion to the north, south, and east of Seattle.

- New 2013 positions requested – 21.75 FTEs budgeted at just under \$2 million.

Delivery of Services

The Operations department requires additional resources to provide business analysis support.

- New 2013 positions requested – Operations department is adding a senior business analyst budgeted at under \$100 thousand.

Support of the Larger Organization

The agency's growth has driven the need for additional administrative support in the areas of information technology, legal, and human resources. Administrative departments within Sound Transit continue to support the ST2 capital program and remaining Sound Move projects such as University Link.

- New 2013 positions requested – 6.75 FTEs budgeted at \$0.6 million.

Initiatives

The department budgets include approximately \$0.6 million in funding for a small number of initiatives.

- Continue initiatives approved and started in 2012: complete a disparity study, systemwide signage manual, and our enterprise resource planning system five-year strategy.
- Implement an earned value system to manage capital project contracts.
- Focus on capturing and retaining ridership through improved communications and outreach.

- Support our staff through training, communications, and employee engagement thereby improving staff professionalism and employee retention.

Changes to Base

Beyond the changes outlined above, increases in base costs are just under \$0.8 million or 0.9 percent.

- Change in salaries and benefits over the 2012 base budget is a decrease of \$0.5 million as the budgeted 2 percent salary increase is more than offset by budgeted vacancy rates of 6 percent for all of DECM and the IT division of FIT and 5 percent for all other departments.
- Annualized cost of positions added in 2012 – 38.5 FTEs at \$1.6 million.
- Increase in tax collection fees paid to Department of Revenue and Department of Licensing in the amount of \$366 thousand or 16.3 percent.
- Corporate insurance premiums are up by \$280 thousand or 12.2 percent.
- Software and hardware maintenance is up \$286 thousand or 15.6 percent.
- CEO Office's contingency budget was increased from by \$100 thousand to \$350 thousand.
- Consulting and temporary services budgets were reduced to \$0.6 million below 2012 levels.
- Corporate advertising and marketing costs were cut by \$278 thousand without reducing modal marketing budgets.
- Additional department costs cuts to below 2012 levels totaled \$1.2 million.

Agency Administration Staffing

Our staffing plan is driven substantially by capital project activities. Sound Transit tracks and forecasts long-term staffing needs, balancing increases to permanent employment with the use of consultants to ensure capital programs are adequately supported and affordable. Sound Transit's staffing and consultant levels are monitored by the Federal Transit Administration (FTA) to ensure we have the "technical capability and capacity" to manage our program. Ten of our 28.5 new positions in 2013 for agency administration 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 staffing levels for 2013 are summarized below. The detailed 2013 staffing levels by department are 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 outside the Operations department budget and are discussed in the Service Delivery section. In 2013 there is one new FTE for Service Delivery.

AGENCY ADMINISTRATION STAFFING SUMMARY

Department	2011 Staffing Plan	2012 Staffing Plan	2012 Adds	2012 Trsfrs	2013 New	2013 Staffing Plan
Executive	86.0	87.5	-	3.0	3.5	94.0
Finance and Information Technology	94.0	102.0	8.0	-	8.0	118.0
Legal	15.0	15.0	4.0	-	1.0	17.0
Design, Engineering & Construction Mgmt	186.0	202.0	1.0	-	10.0	213.0
Communications and External Affairs	32.8	35.0	1.0	(6.0)	-	30.0
Operations	57.0	60.0	-	3.0	2.0	65.0
Planning, Environment & Project Dev	42.0	41.0	-	-	4.0	45.0
Departments Total	512.8	542.5	11.0	-	28.5	582.0

DIRECT CHARGE TO PROJECTS STAFFING SUMMARY

Department	ORCA Regional Reimbursed	Direct Charge to Capital	Not Direct Charged	2013 Staffing Plan
Executive	-	-	94.0	94.0
Finance and Information Technology	5.0	9.0	104.0	118.0
Legal	-	-	17.0	17.0
Design Engineering & Construction Mgmt	-	197.0	16.0	213.0
Communications and External Affairs	-	-	30.0	30.0
Operations	-	-	65.0	65.0
Planning, Environment & Project Development	-	21.0	24.0	45.0
Departments Total	5.0	227.0	350.0	582.0

Central Costs

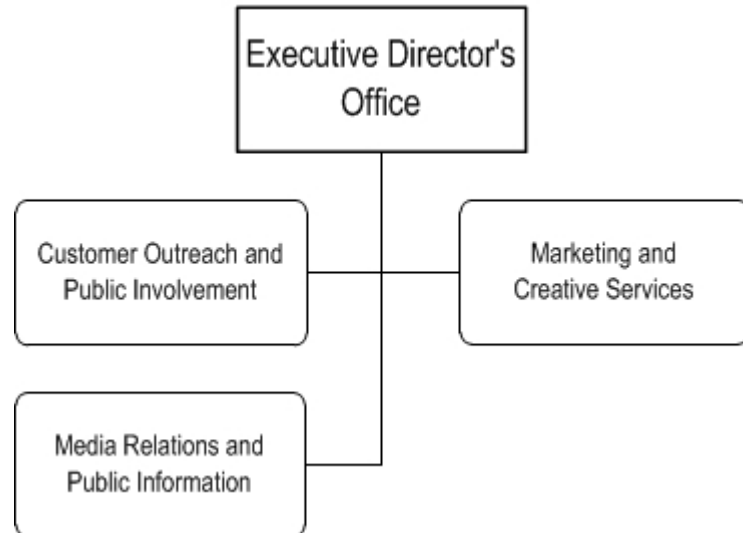
(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Services				
Consultant/Management	54	0	1	0
Interlocal Agreements	0	2,250	2,352	0
Maintenance	14	20	18	0
Subtotal:	67	2,270	2,371	0
Materials and Supplies				
Small Equipment/Furniture	108	0	8	0
Other Materials/Supplies	0	0	2	0
Subtotal:	108	0	10	0
Utilities				
Telecommunications	43	40	46	0
Subtotal:	43	40	46	0
Insurance				
Insurance	0	0	0	0
Subtotal:	0	0	0	0
Taxes				
Taxes	0	0	0	0
Subtotal:	0	0	0	0
Miscellaneous				
Other Misc.Expense	0	0	15	0
Subtotal:	0	0	15	0
Leases and Rentals				
Vehicles/Parking	9	0	9	0
Admin.Facilities	2,626	3,078	2,978	0
Subtotal:	2,635	3,078	2,987	0
Department Total:	\$2,854	\$5,388	\$5,429	\$0

In 2013, Central Costs have been reassigned to the departments that oversee them. There is no Central Costs budget for 2013.

Communications and External Affairs

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

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



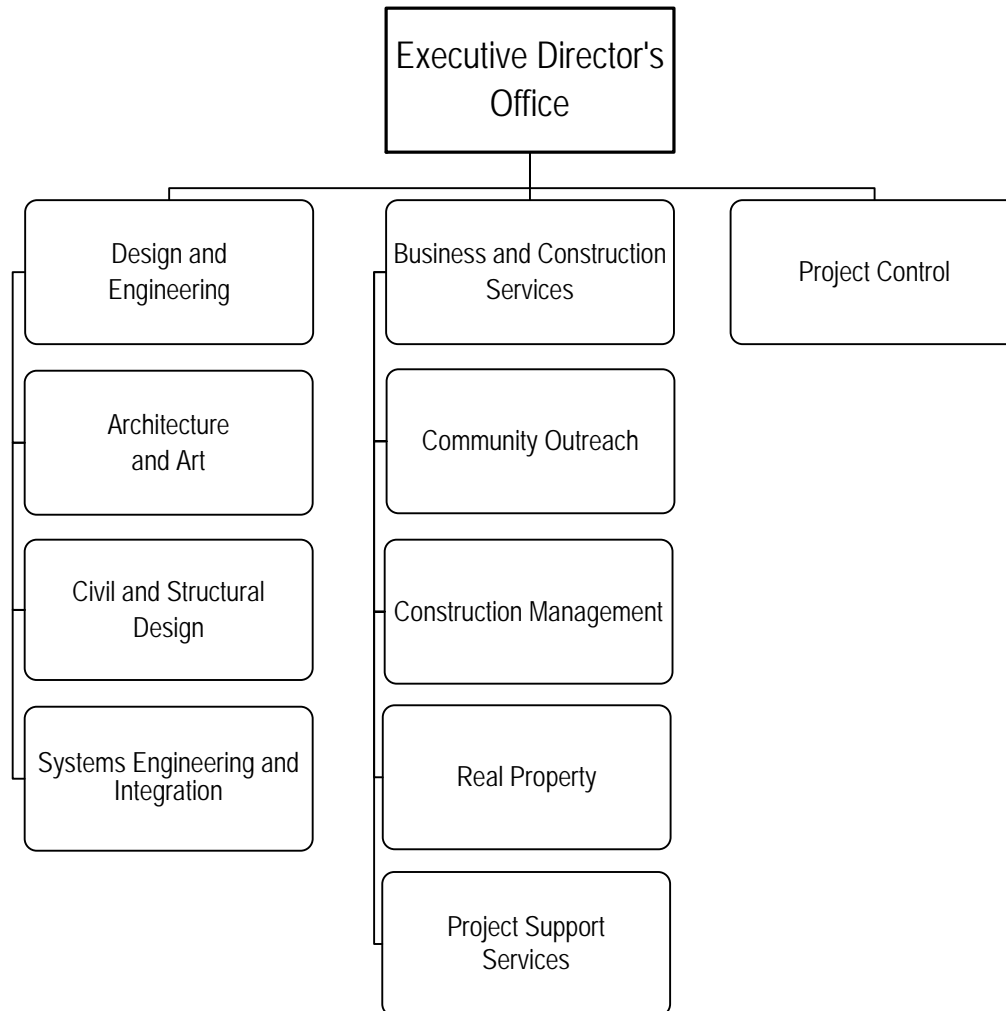
CEA also disseminates public information through conventional and social media outlets and our website.

Communications and External Affairs

(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	1,730	1,895	1,864	1,880
Benefits	1,032	1,157	1,076	1,109
Subtotal:	2,762	3,051	2,940	2,989
Services				
Temporary Services	6	13	0	1
Consultant/Management	48	141	79	116
Interlocal Agreements	190	197	196	200
Advertising/Marketing	518	693	498	651
Maintenance	0	7	3	10
Other Services	121	120	104	190
Subtotal:	883	1,170	880	1,168
Materials and Supplies				
Office Supplies	10	50	12	87
Small Equipment/Furniture	1	29	3	4
Other Materials/Supplies	3	8	7	5
Subtotal:	14	87	21	96
Utilities				
Telecommunications	12	10	10	0
Subtotal:	12	10	10	0
Miscellaneous				
Advertising/Promotion Media	1,198	1,031	984	872
Travel/Meetings	9	21	14	18
Training	7	10	4	14
Dues/Memberships	207	241	174	262
Books/Subscriptions	8	12	9	12
Other Misc.Expense	13	16	11	1
Subtotal:	1,441	1,331	1,196	1,179
Leases and Rentals				
Furniture/Equipment	0	8	0	3
Meeting Space	0	1	0	1
Subtotal:	0	9	0	4
Department Total:	\$5,113	\$5,659	\$5,047	\$5,437

In early 2013, the Government and Community Relations(GCR) division transferred from the Communications and External Affairs department to the Executive department. The data above excludes GCR division.

Design, Engineering, and Construction Management

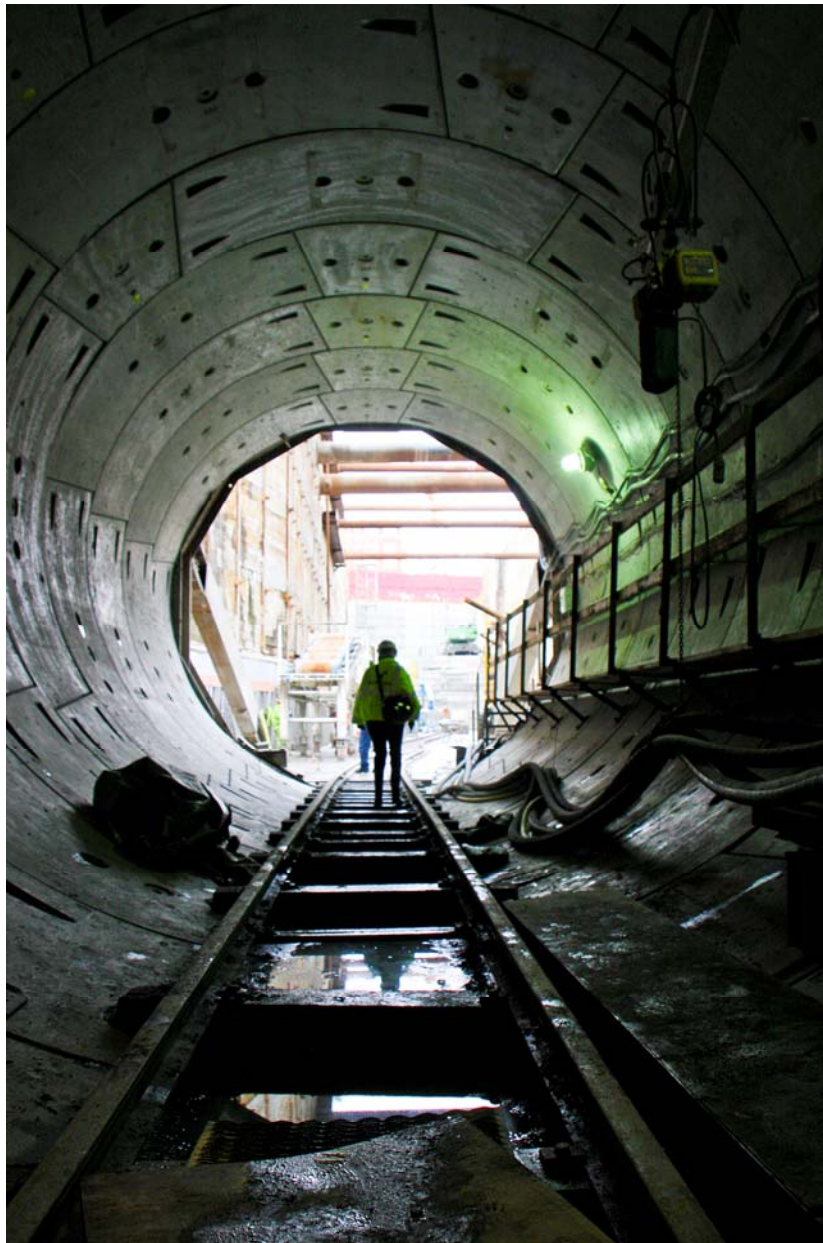


Design, Engineering, and Construction Management (DECM) is principally responsible for final design and construction of all major capital projects and support of our Operations department's capital maintenance needs. DECM supplies professional and technical resources throughout the design and construction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

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

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

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



Capitol Hill Tunnel

Design, Engineering & Construction Management

(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	12,214	15,731	14,563	16,370
Benefits	6,741	8,591	7,855	8,756
Subtotal:	18,955	24,322	22,418	25,126
Services				
Temporary Services	19	65	50	30
Consultant/Management	10	380	34	312
Legal	0	0	216	0
Advertising/Marketing	7	14	3	15
Security Services	50	161	37	40
Software/Hardware Maintenance	0	0	0	0
Maintenance	293	757	355	822
Other Services	1	12	223	12
Subtotal:	380	1,389	918	1,231
Materials and Supplies				
Office Supplies	42	107	25	82
Small Equipment/Furniture	43	50	33	17
Other Materials/Supplies	1	7	2	9
Subtotal:	85	163	59	108
Utilities				
Telecommunications	48	66	44	1
Gas/Electric	0	0	14	0
Water/Sewer	0	0	48	0
Subtotal:	48	66	105	1
Insurance				
Insurance	0	0	-495	0
Subtotal:	0	0	-495	0
Taxes				
Taxes	0	0	70	0
Subtotal:	0	0	70	0
Miscellaneous				
Advertising/Promotion Media	0	0	0	0
Travel/Meetings	64	152	58	171
Training	38	73	57	91
Dues/Memberships	18	29	22	39
Books/Subscriptions	15	22	25	21
Other Misc.Expense	-2	4	6	6
Subtotal:	133	280	168	329
Leases and Rentals				
Vehicles/Parking	0	0	0	0
Admin.Facilities	0	0	0	3,161
Furniture/Equipment	0	0	0	138
Meeting Space	1	5	3	6
Subtotal:	1	5	3	3,304
Department Total:	\$19,602	\$26,226	\$23,246	\$30,099

In 2013, DECM's budget will include costs for leased space and will be managed by the Real Property division. These costs were included in Central Costs in 2012.

Executive Department

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 contractors, and Sound Transit construction management.

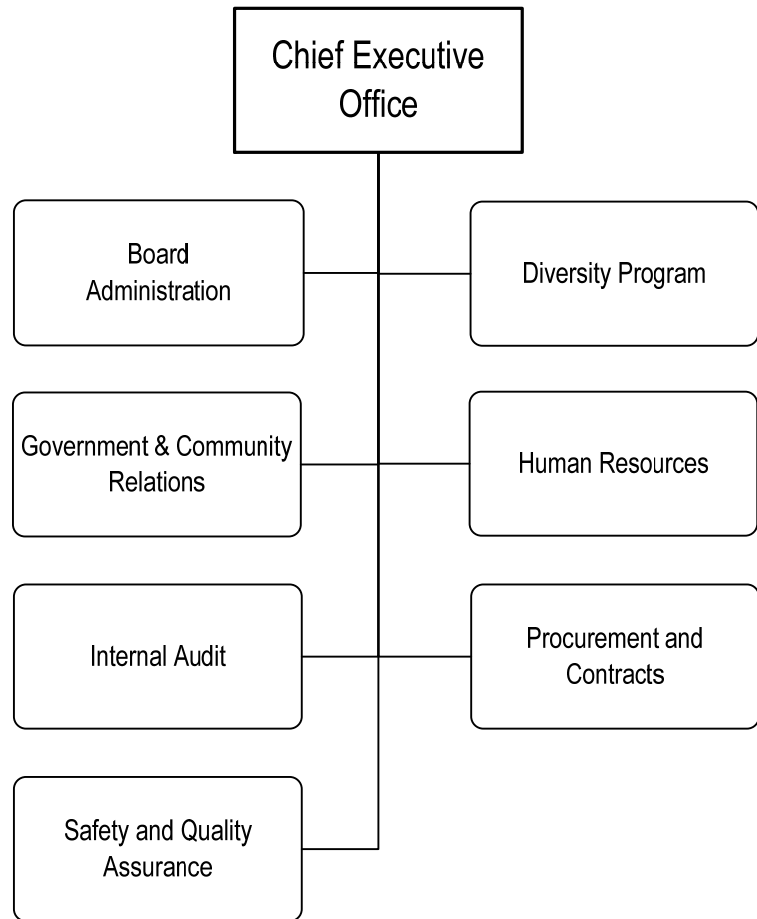
Government & Community Relations conducts outreach to local, state, and federal officials in support of Sound Transit issues and funding needs.

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

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

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

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

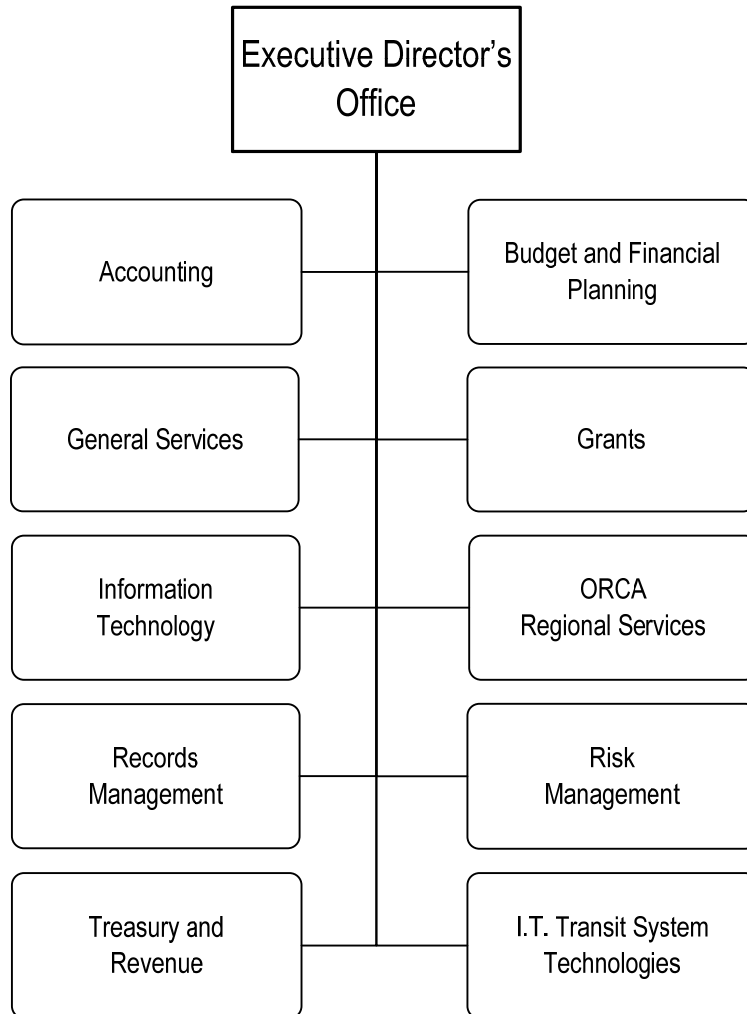


Executive

(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	5,828	6,653	6,323	6,966
Benefits	3,298	3,567	3,593	3,700
Subtotal:	9,126	10,221	9,916	10,666
Services				
Temporary Services	55	49	10	68
Consultant/Management	1,086	1,208	1,021	1,313
Accounting/Auditing	157	250	99	250
Legal	0	60	0	0
Advertising/Marketing	17	248	15	42
Security Services	26	0	8	0
Software/Hardware Maintenance	0	1	0	2
Maintenance	1	1	0	1
Other Services	232	637	249	620
Subtotal:	1,573	2,454	1,403	2,295
Materials and Supplies				
Office Supplies	33	47	28	43
Small Equipment/Furniture	78	86	85	54
Other Materials/Supplies	1	1	1	1
Subtotal:	112	134	114	97
Utilities				
Telecommunications	31	29	47	0
Water/Sewer	0	0	0	0
Subtotal:	31	29	47	0
Miscellaneous				
Advertising/Promotion Media	139	130	158	131
Travel/Meetings	103	142	105	184
Training	33	41	67	48
Dues/Memberships	46	51	28	45
Books/Subscriptions	8	13	21	14
Contingency	0	250	0	350
Other Misc.Expense	65	156	131	183
Subtotal:	394	782	510	954
Leases and Rentals				
Vehicles/Parking	0	0	0	0
Furniture/Equipment	1	0	0	0
Meeting Space	49	50	49	82
Subtotal:	50	50	49	82
Department Total:	\$11,285	\$13,669	\$12,039	\$14,094

In early 2013, the Government and Community Relations division transferred from the Communications and External Affairs department to the Executive department; the Security division transferred from the Executive department to the Operations department. The data above reflects these changes.

Finance and Information Technology



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

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

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

Finance and Information Technology

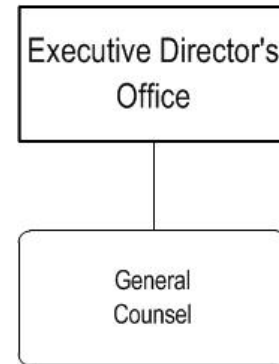
(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	6,029	6,909	7,132	8,224
Benefits	3,206	3,891	3,819	4,521
Subtotal:	9,235	10,801	10,951	12,745
Services				
Temporary Services	144	143	223	148
Consultant/Management	837	1,382	717	1,066
Interlocal Agreements	2,368	0	58	2,616
Accounting/Auditing	473	523	493	580
Legal	1	79	0	54
Advertising/Marketing	575	848	608	842
Security Services	0	0	0	0
Software/Hardware Maintenance	1,401	1,817	1,373	2,098
Maintenance	41	36	37	52
Other Services	66	75	40	71
Subtotal:	5,908	4,903	3,549	7,527
Materials and Supplies				
Office Supplies	166	245	256	198
Small Equipment/Furniture	582	574	572	656
Other Materials/Supplies	7	0	28	0
Subtotal:	755	819	856	854
Utilities				
Telecommunications	232	305	195	555
Gas/Electric	0	0	0	20
Subtotal:	232	305	195	575
Insurance				
Insurance	2,226	2,298	2,308	2,578
Subtotal:	2,226	2,298	2,308	2,578
Miscellaneous				
Advertising/Promotion Media	0	0	1	2
Travel/Meetings	49	65	50	65
Training	63	61	69	76
Dues/Memberships	10	23	15	21
Books/Subscriptions	38	-11	26	15
Other Misc.Expense	5	41	11	44
Subtotal:	165	180	172	222
Interest				
Interest	1	1	0	0
Subtotal:	1	1	0	0
Leases and Rentals				
Vehicles/Parking	0	0	0	0
Furniture/Equipment	121	135	105	135
Meeting Space	1	1	1	1
Subtotal:	122	136	106	136
Department Total:	\$18,643	\$19,441	\$18,137	\$24,637

From 2013, FIT's budget will include tax collections fees paid to the Department of Revenue and Department of Licensing and will be managed by the Financial Accounting division. These costs were included in Central Costs in 2012.

Legal Department

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

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



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

Legal

(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	1,296	1,507	1,411	1,547
Benefits	592	746	661	780
Subtotal:	1,888	2,253	2,072	2,327
Services				
Temporary Services	58	0	7	0
Consultant/Management	0	3	0	0
Legal	155	335	336	345
Advertising/Marketing	0	0	0	0
Maintenance	0	0	0	0
Other Services	0	0	0	0
Subtotal:	213	339	343	345
Materials and Supplies				
Office Supplies	3	3	2	3
Small Equipment/Furniture	1	4	0	0
Subtotal:	4	6	2	3
Utilities				
Telecommunications	4	5	6	0
Subtotal:	4	5	6	0
Miscellaneous				
Advertising/Promotion Media	0	0	0	0
Travel/Meetings	1	4	0	9
Training	10	13	8	11
Dues/Memberships	6	8	6	8
Books/Subscriptions	32	39	31	33
Other Misc.Expense	0	0	0	0
Subtotal:	49	64	46	60
Leases and Rentals				
Meeting Space	0	1	0	0
Subtotal:	0	1	0	0
Department Total:	\$2,158	\$2,668	\$2,469	\$2,735

Operations

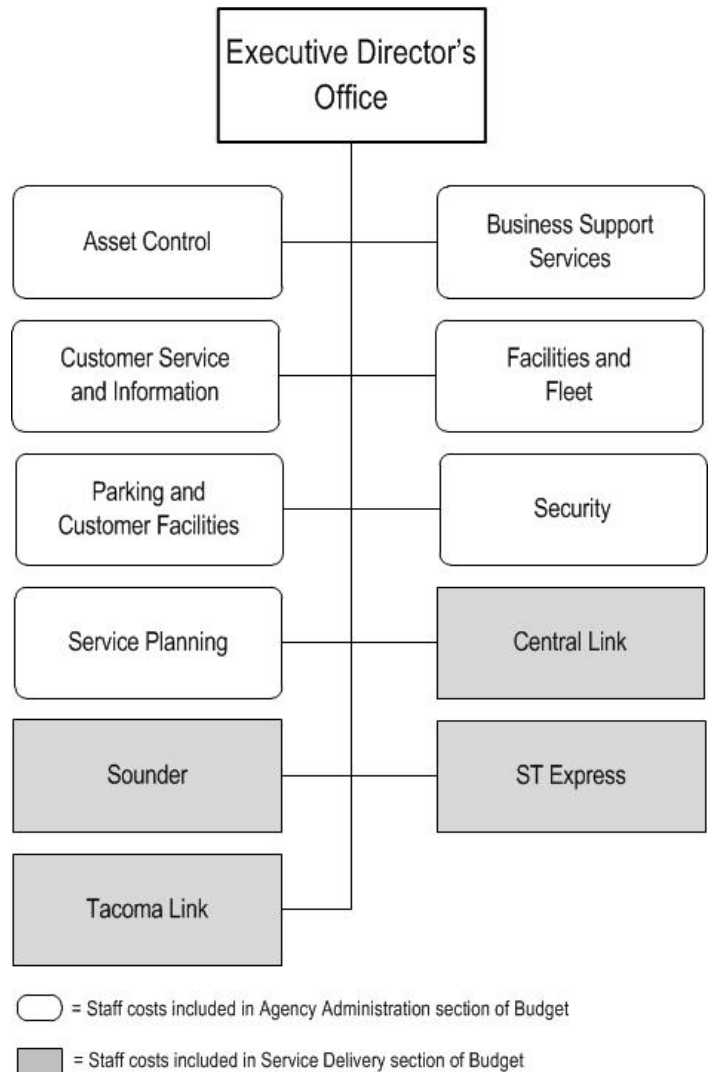
The Operations department is responsible for:

- 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.
- Service planning and customer service for all modes.

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

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

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



Operations

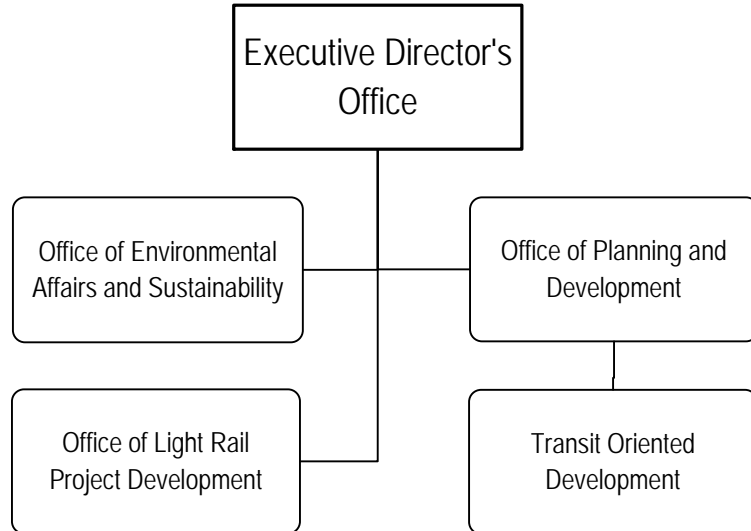
(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	3,461	4,044	3,934	4,205
Benefits	1,986	2,285	2,209	2,307
Subtotal:	5,447	6,329	6,143	6,512
Services				
Temporary Services	41	93	88	85
Consultant/Management	200	308	116	135
Legal	0	0	0	0
Advertising/Marketing	31	45	18	108
Security Services	142	241	112	159
Software/Hardware Maintenance	0	12	11	16
Maintenance	442	396	367	344
Other Services	139	290	156	181
Subtotal:	995	1,385	867	1,028
Materials and Supplies				
Office Supplies	14	24	9	17
Small Equipment/Furniture	108	57	100	59
Other Materials/Supplies	345	352	356	365
Subtotal:	467	433	465	442
Utilities				
Telecommunications	38	36	52	1
Gas/Electric	145	164	116	153
Water/Sewer	52	64	60	54
Subtotal:	234	265	228	209
Insurance				
Insurance	-27	0	-1	0
Subtotal:	-27	0	-1	0
Taxes				
Taxes	1	4	5	4
Subtotal:	1	4	5	4
Miscellaneous				
Advertising/Promotion Media	0	7	0	22
Travel/Meetings	29	45	26	47
Training	45	31	38	32
Dues/Memberships	7	9	3	9
Books/Subscriptions	8	9	9	7
Other Misc.Expense	2	1	4	1
Subtotal:	91	103	79	118
Leases and Rentals				
Vehicles/Parking	255	288	310	300
Admin.Facilities	36	34	44	52
Furniture/Equipment	24	28	3	5
Meeting Space	1	2	0	2
Subtotal:	316	352	357	359
Department Total:	\$7,524	\$8,872	\$8,143	\$8,671

In 2013, Security division transferred from Executive department to Operations department. The data above reflects this change.

Planning, Environment, and Project Development

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

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



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

Planning, Environment & Project Development

(in thousands)	2011 Actual	2012 Budget	2012 Actual	2013 Adopted
Salaries & Benefits				
Salaries	3,116	3,345	3,339	3,555
Benefits	1,676	1,835	1,752	1,960
Subtotal:	4,792	5,180	5,091	5,514
Services				
Temporary Services	19	105	0	40
Consultant/Management	537	610	356	575
Legal	0	0	0	0
Advertising/Marketing	0	10	0	64
Other Services	0	5	0	3
Subtotal:	557	730	356	681
Materials and Supplies				
Office Supplies	6	9	2	6
Small Equipment/Furniture	3	17	1	5
Subtotal:	9	26	3	10
Utilities				
Telecommunications	11	20	10	0
Water/Sewer	0	0	0	0
Subtotal:	11	20	11	0
Miscellaneous				
Advertising/Promotion Media	0	2	0	1
Travel/Meetings	25	53	25	55
Training	6	20	15	31
Dues/Memberships	8	11	7	11
Books/Subscriptions	0	2	4	2
Other Misc.Expense	1	4	4	3
Subtotal:	39	91	55	102
Leases and Rentals				
Meeting Space	0	0	0	1
Subtotal:	0	0	0	1
Department Total:	\$5,407	\$6,047	\$5,516	\$6,309

Debt Service

As of December 31, 2012, Sound Transit has \$1.47 billion of outstanding long-term bonds, the proceeds of which finance construction of capital projects. Interest on long-term debt is capitalized to fixed assets to the extent that the underlying debt funds construction in progress; otherwise it is recognized as an expense.

2013 Highlights

Debt service is budgeted at \$106.3 million including:

- \$33.3 million of principal repayment.
- \$15.4 million of interest expense.
- \$57.6 million of capitalized interest.

Legal Debt Limit

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

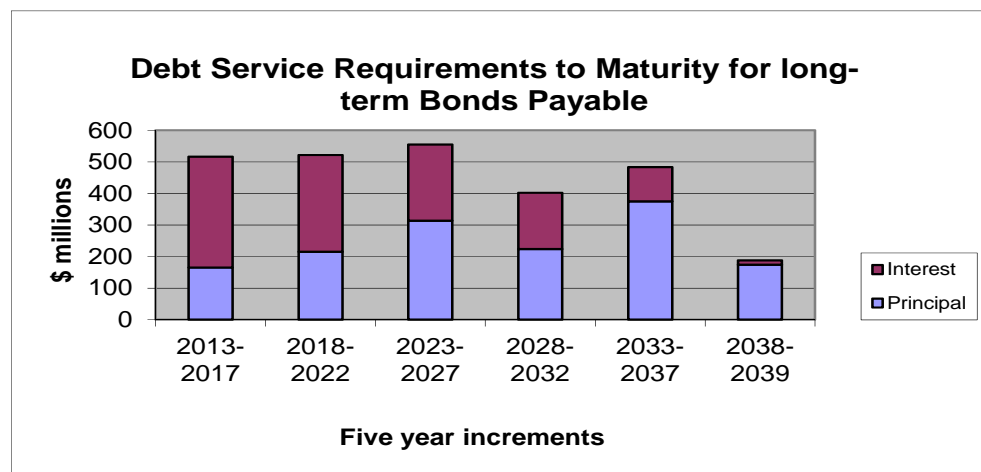
2012 DEBT CAPACITY STATUS FOR SOUND TRANSIT (in millions)

Assessed Valuation in 2011 for collection of taxes in 2012	\$ 401,195
Maximum non-voted debt (1.5% of assessed valuation)	\$ 6,018
Less: Series 1999, 2005A, 2007A, 2009 and 2012 Bonds and Other Long-term debt	<u>1,467</u>
Non-voted debt capacity remaining	\$ 4,551
Maximum voted debt (5% of assessed valuation)	\$ 20,060
Less: Series 1999, 2005A, 2007A, 2009 and 2012 Bonds and Other Long-term debt	<u>1,467</u>
Voted debt capacity remaining	\$ 18,593

DEBT SERVICE REQUIREMENTS BY MATURITY*
(in thousands)

Year Ending December 31, 2012	Principal	Interest	Debt Service
2013	33,250	72,773	106,023
2014	33,545	71,962	105,507
2015	34,935	70,346	105,281
2016	30,430	68,666	99,096
2017	33,235	67,133	100,368
2018-2022	215,375	306,179	521,554
2023-2027	313,600	241,743	555,343
2028-2032	224,130	177,725	401,855
2033-2037	375,105	108,101	483,206
2038-2039	173,850	14,405	188,255
Total	\$ 1,467,455	\$ 1,199,032	\$ 2,666,487

* Debt service requirements are maintained on a cash basis but are budget ed on an accrual basis so there will be a slight budget variance.



Reserves & Non-Cash Expenses

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

Reserves

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

Capital Replacement

An annual contribution to the capital replacement fund is determined by a schedule of all asset costs and useful lives maintained in the agency's Financial Plan. Funds are held in long-term investments and their use is restricted to future asset replacement. The 2013 contribution is \$49.8 million.

Emergency/Loss

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

Non-Cash Expenses

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

Depreciation and Amortization

In 2013, the depreciation of service delivery assets is estimated at \$127.6 million and depreciation of administrative assets is estimated at \$1.7 million.

Donations and Other Non-Cash Expenses

In 2013, donations to other governments are estimated to be \$5.2 million as a result of capital contributions made.

2013 DONATIONS

(in thousands)

Donation	
Kirkland - 85th Corridor Improvements	\$ 2,069
Rainier Avenue Arterial Improvements	2,005
Strander Boulevard Extension	1,115
Total	\$ 5,189

APPENDIX A

Staffing Plan Summary and Detail

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Agency Staffing Overview

	2012 Staffing	2013 New Positions	Transfers	2013 Staffing
AGENCY ADMINISTRATION				
COMMUNICATIONS & EXT AFFAIRS	36.00	0.00	-6.00	30.00
DESIGN, ENG & CONST MGMT	203.00	10.00	0.00	213.00
EXECUTIVE	87.50	3.50	3.00	94.00
FINANCE & INFO TECHNOLOGY	110.00	8.00	0.00	118.00
LEGAL	16.00	1.00	0.00	17.00
OPERATIONS	60.00	2.00	3.00	65.00
PLANNING, ENV & PROJECT DEV	41.00	4.00	0.00	45.00
AGENCY ADMINISTRATION TOTAL	553.50	28.50	0.00	582.00
SERVICE DELIVERY				
FINANCE & INFO TECHNOLOGY	11.00	1.00	0.00	12.00
OPS CENTRAL LINK LIGHT RAIL	7.00	0.00	0.00	7.00
OPS SOUNDER	5.00	0.00	0.00	5.00
OPS ST EXPRESS	3.00	0.00	0.00	3.00
OPS TACOMA LIGHT RAIL	19.00	0.00	0.00	19.00
SERVICE DELIVERY TOTAL	45.00	1.00	0.00	46.00
TOTAL SOUND TRANSIT STAFF	598.50	29.50	0.00	628.00

Service Delivery 2013 Staffing Plan

Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
IT Transit Systems			
TRANSIT SYSTEMS BENCH TECH	0.00	1.00	1.00
IT BUSINESS MANAGER	0.00	0.00	0.00
SCADA SYS ENG SUPERVISOR	0.00	0.00	0.00
SENIOR SYSTEMS ANALYST-SCADA	1.00	0.00	1.00
SENIOR SYSTEMS ENGINEER	0.00	0.00	0.00
SENIOR SYSTEMS ENGINEER-SCADA	1.00	0.00	1.00
SYSTEMS ENGINEERING SUPERVISOR	1.00	0.00	1.00
TRANSIT SYSTEMS ELECTRONIC SUP	1.00	0.00	1.00
TRANSIT SYSTEMS ELECTRONIC TEC	5.00	0.00	5.00
TRANSIT SYSTEMS ENGINEER	2.00	0.00	2.00
IT TRANSIT SYSTEMS	11.00	1.00	12.00
CENTRAL LINK			
CENTRAL LINK MAINTENANCE MGR	1.00	0.00	1.00
CENTRAL LINK MAINTENANCE SUPER	2.00	0.00	2.00
CENTRAL LINK TRANSPORTATION MG	1.00	0.00	1.00
LIGHT RAIL TRANSPORTATION SUP	2.00	0.00	2.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
CENTRAL LINK	7.00	0.00	7.00
SOUNDER			
COM RAIL TRANS SUPERINTENDENT	1.00	0.00	1.00
COMMUTER RAIL COORDINATOR	1.00	0.00	1.00
COMMUTER RAIL MECHANICAL SUPER	1.00	0.00	1.00
COMMUTER RAIL OPERATIONS MGR	1.00	0.00	1.00
MAINTENANCE OF WAY SPECIALIST	1.00	0.00	1.00
SOUNDER	5.00	0.00	5.00
ST EXPRESS			
BUS MAINTENANCE SUPERINTENDENT	1.00	0.00	1.00
BUS OPERATIONS ANALYST	1.00	0.00	1.00
BUS OPERATIONS MANAGER	1.00	0.00	1.00
ST EXPRESS	3.00	0.00	3.00
TACOMA LINK			
LIGHT RAIL VEHICLE OPERATOR	7.00	0.00	7.00
MAINTENANCE SUPERVISOR	1.00	0.00	1.00
OPERATIONS & MAINTENANCE SUPER	4.00	0.00	4.00
OPERATIONS & MAINTENANCE TECH	4.00	0.00	4.00
PROJECT ADMINISTRATION SPEC	1.00	0.00	1.00
TACOMA LINK LIGHT RAIL OPS MGR	1.00	0.00	1.00
TACOMA LLR ASSISTANT OPS MGR	1.00	0.00	1.00
TACOMA LINK	19.00	0.00	19.00
SERVICE DELIVERY TOTAL	45.00	1.00	46.00

Agency Administration 2013 Staffing Plan

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
COMMUNICATIONS & EXT AFFAIRS			
CEA DIRECTOR'S OFFICE			
EXEC DIR OF COMM & EXT AFFAIRS	1.00	0.00	1.00
EXECUTIVE ASSISTANT	1.00	0.00	1.00
CEA DIRECTOR'S OFFICE	2.00	0.00	2.00
CUSTOMER OUTREACH/PUBLIC INVOL			
CUSTOMER OUTREACH ASSISTANT	1.00	0.00	1.00
CUSTOMER OUTREACH COORDINATOR	0.00	0.00	0.00
CUSTOMER OUTREACH MANAGER	1.00	0.00	1.00
CUSTOMER OUTREACH SPECIALIST	1.00	0.00	1.00
EVENTS COORDINATOR	1.00	0.00	1.00
EVENTS SPECIALIST	1.00	0.00	1.00
CUSTOMER OUTREACH/PUBLIC INVOL	5.00	0.00	5.00
MARKETING & CREATIVE SERVICES			
COMMUNICATIONS SPECIALIST	3.00	0.00	3.00
GRAPHIC DESIGNER	2.00	0.00	2.00
LEAD COMMUNICATIONS SPECIALIST	1.00	0.00	1.00
LEAD GRAPHIC DESIGNER	1.00	0.00	1.00
MARKETING COORDINATOR	1.00	0.00	1.00
MARKETING COORDINATOR-WEBSITE	1.00	0.00	1.00
MARKETING SPECIALIST	1.00	0.00	1.00
MARKETING/CREATIVE SERVICES MG	1.00	0.00	1.00
RIDER INFORMATION SPECIALIST	1.00	0.00	1.00
SENIOR GRAPHIC DESIGNER	2.00	0.00	2.00
VIDEO PRODUCER	1.00	0.00	1.00
VIDEO PRODUCTION TECHNICIAN	1.00	0.00	1.00
WEB PROGRAM MANAGER	1.00	0.00	1.00
WEB SITE SPECIALIST	0.00	0.00	0.00
MARKETING & CREATIVE SERVICES	17.00	0.00	17.00
MEDIA RELATION & PUBLIC INFO			
INFORMATION CENTER SPECIALIST	1.00	0.00	1.00
MEDIA RELATIONS/PUBLIC INFO MG	1.00	0.00	1.00
PUBLIC INFORMATION COORDINATOR	1.00	0.00	1.00
PUBLIC INFORMATION SPECIALIST	3.00	0.00	3.00
MEDIA RELATION & PUBLIC INFO	6.00	0.00	6.00
TOTAL: COMMUNICATIONS & EXT AFFAIRS	30.00	0.00	30.00
DESIGN, ENGINEERING AND CONSTRUCTION MANAGEMENT			
ARCHITECTURE & ART			
COLLECTION COORDINATOR	0.00	1.00	1.00
ARCHITECT	4.00	0.00	4.00
ARCHITECTURE & ART MANAGER	0.00	0.00	0.00
ART & ARCHITECTURE DIRECTOR	1.00	0.00	1.00
PROJECT COORDINATOR - DECM	1.00	0.00	1.00
PUBLIC ART PROGRAM ADMINISTRAT	1.00	0.00	1.00
PUBLIC ART PROGRAM COORDINATOR	1.00	0.00	1.00
SENIOR ARCHITECT	3.00	0.00	3.00
SENIOR PROJECT COORD - DECM	1.00	0.00	1.00
ARCHITECTURE & ART	12.00	1.00	13.00
CIVIL & STRUCTURAL DESIGN			
CIVIL ENGINEER	0.00	0.00	1.00
CAD DRAFTER SUPERVISOR	0.00	0.00	0.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
CAD MANAGER	1.00	0.00	1.00
CIVIL ENGINEER	7.00	0.00	6.00
CIVIL ENGINEERING MANAGER	0.00	0.00	0.00
CORRIDOR DESIGN MANAGER - ELBR	1.00	0.00	1.00
CORRIDOR DESIGN MANAGER - NL	1.00	0.00	1.00
CORRIDOR DESIGN MANAGER - SL	1.00	0.00	1.00
CORRIDOR DESIGN MGR - EL I-90	1.00	0.00	1.00
DEPUTY DIR, CIVIL/STRUC DESIGN	1.00	0.00	1.00
DESIGN & ENGINEERING COORD	1.00	0.00	1.00
DIRECTOR CIVIL & STRUC DESIGN	1.00	0.00	1.00
SENIOR ADMINISTRATIVE SPEC	0.00	0.00	0.00
SENIOR CAD DRAFTER	5.00	1.00	6.00
SENIOR CIVIL ENGINEER	11.00	1.00	12.00
SENIOR STRUCTURAL ENGINEER	4.00	0.00	4.00
SPECIFICATION WRITER	1.00	0.00	1.00
STRUCTURAL ENGINEER	2.00	0.00	2.00
STRUCTURAL ENGINEERING MANAGER	1.00	0.00	1.00
CIVIL & STRUCTURAL DESIGN	39.00	2.00	41.00
COMMUNITY OUTREACH			
BUSINESS MITIGATION SPECIALIST	1.00	0.00	1.00
COMMUNITY OUTREACH ASSISTANT	1.00	0.00	1.00
COMMUNITY OUTREACH COORDINATOR	1.00	0.00	1.00
COMMUNITY OUTREACH CORRID LEAD	1.00	0.00	1.00
COMMUNITY OUTREACH CORRID SUP	3.00	0.00	3.00
COMMUNITY OUTREACH DIRECTOR	1.00	0.00	1.00
COMMUNITY OUTREACH SPECIALIST	7.00	1.00	8.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
COMMUNITY OUTREACH	16.00	1.00	17.00
CONSTRUCTION MANAGEMENT			
CONSTRUCTION MANAGEMENT DIRECT	1.00	0.00	1.00
CONSTRUCTION MANAGER - DECM	9.00	0.00	9.00
CONSTRUCTION PROJECT SPEC	1.00	0.00	1.00
DEPUTY CONSTRUCTION MANAGER	5.00	0.00	5.00
ENGINEERING SYSTEMS INSPECTOR	0.00	0.00	0.00
LEAD INSPECTOR	1.00	0.00	1.00
NON-CORRIDOR PROJECTS MANAGER	1.00	0.00	1.00
PRINCIPAL CONSTRUCTION MANAGER	3.00	0.00	3.00
PROJECT COORDINATOR - DECM	1.00	0.00	1.00
PROJECT MANAGER - RSIP	1.00	0.00	1.00
SENIOR CIVIL ENGINEER	1.00	0.00	1.00
SENIOR CONSTRUCTION ENGINEER	1.00	0.00	1.00
SENIOR PROJECT COORD - DECM	1.00	0.00	1.00
CONSTRUCTION MANAGEMENT	26.00	0.00	26.00
DECM DIRECTOR'S OFFICE			
CHIEF OF STAFF	1.00	0.00	1.00
DEP EXEC DIR - BUSINESS/CONST	1.00	0.00	1.00
DEP EXEC DIR DESIGN & ENG	1.00	0.00	1.00
DEP EXEC DIR PROJ & CONST MGMT	0.00	0.00	0.00
DEPUTY EXEC DIRECTOR BUS SVCS	0.00	0.00	0.00
DEPUTY PROJECT DIRECTOR	2.00	0.00	2.00
DEPUTY PROJECT DIRECTOR - EL	1.00	0.00	1.00
EXECUTIVE ASSISTANT	1.00	0.00	1.00
EXECUTIVE DIRECTOR - DECM	1.00	0.00	1.00
EXECUTIVE PROJECT DIRECTOR	3.00	0.00	3.00
PROJECT COORDINATOR - DECM	3.00	0.00	3.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
PROJECT DIRECTOR	2.00	0.00	2.00
PROJECT MANAGER	0.00	0.00	1.00
PROJECT MANAGER - DECM	4.00	0.00	4.00
RECEPTIONIST/ADMIN ASSISTANT	1.00	0.00	1.00
SENIOR ADMINISTRATIVE SPEC	2.00	0.00	2.00
SENIOR PROJECT COORD - DECM	4.00	0.00	3.00
SENIOR PROJECT MANAGER - DECM	3.00	0.00	3.00
DECM DIRECTOR'S OFFICE	30.00	0.00	30.00
PROJECT CONTROLS			
CONFIGURATION & CHANGE MGT SP	0.00	1.00	1.00
VALUE ENGINEERING MANAGER	1.00	0.00	1.00
CONFIGURATION COORDINATOR	0.00	0.00	0.00
CORRIDOR PROJECT CONTROL SUPVR	3.00	0.00	3.00
COST ENGINEER	1.00	0.00	1.00
COURIER	1.00	0.00	1.00
DEP EXE DIR, PROJ CONTROL & VE	1.00	0.00	1.00
DOCUMENT CONTROL COORDINATOR	5.00	0.00	5.00
PRO CON MGR COST CONTROL REP	0.00	0.00	0.00
PROJ CON MGR CONFIG & DOC CON	0.00	0.00	0.00
PROJ CONT MGR SCHED, EST, RISK	0.00	0.00	0.00
PROJECT CONTROL ASSISTANT	1.00	0.00	1.00
PROJECT CONTROL COORDINATOR	3.00	0.00	3.00
PROJECT CONTROL DIRECTOR	0.00	0.00	0.00
PROJECT CONTROL SPECIALIST	9.00	0.00	9.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
SENIOR COST ENGINEER	2.00	0.00	2.00
SENIOR DOCUMENT CONTROL COORD	2.00	0.00	2.00
SENIOR PROJECT CONTROLS SPEC	2.00	0.00	2.00
SENIOR PROJECT RISK ENGINEER	1.00	0.00	1.00
SENIOR SCHEDULING ENGINEER	2.00	1.00	3.00
SENIOR SYSTEMS COST ENGINEER	1.00	0.00	1.00
SR MANAGER, PROJECT CONTROLS	1.00	0.00	1.00
SR MGR, RISK, SCHEDULE & VE	1.00	0.00	1.00
SR PROJ CONTROL MGR-CONF/DOC	1.00	0.00	1.00
PROJECT CONTROLS	39.00	2.00	41.00
PROJECT SUPPORT SERVICES			
ASSISTANT PERMIT ADMINISTRATOR	2.00	1.00	3.00
PERMITS ADMINISTRATOR	1.00	0.00	1.00
PROJECT SUPPORT SERVICES	3.00	1.00	4.00
REAL PROPERTY			
DIRECTOR OF REAL PROPERTY	1.00	0.00	1.00
LEASING DOCUMENT COORDINATOR	1.00	0.00	1.00
PROPERTY COORDINATOR	3.00	0.00	3.00
PROPERTY MANAGEMENT ASSISTANT	0.00	0.00	0.00
PROPERTY MANAGEMENT ASST MGR	1.00	0.00	1.00
PROPERTY MANAGEMENT COORD	1.00	0.00	1.00
PROPERTY MANAGEMENT MANAGER	1.00	0.00	1.00
PROPERTY MANAGEMENT SPECIALIST	1.00	0.00	1.00
PROPERTY RECORDS RESEARCH TECH	1.00	0.00	1.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
SENIOR LEASING DOCUMENT COORD	1.00	0.00	1.00
SENIOR REAL PROPERTY AGENT	4.00	0.00	4.00
REAL PROPERTY	16.00	0.00	16.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
SYSTEMS ENG. & INTEGRATION			
CIVIL/SYSTEM INTEGRATION MGR	1.00	0.00	1.00
CORRIDOR DESIGN MGR - SYSTEMS	1.00	0.00	1.00
CORRIDOR DESIGN MGR-SYSTEMS NL	1.00	0.00	1.00
ELECTRICAL ENGINEER	1.00	0.00	1.00
MECHANICAL ENGINEER	2.00	0.00	2.00
PROJECT COORDINATOR - DECM	0.00	0.00	0.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
SENIOR CAD DRAFTER	1.00	0.00	1.00
SENIOR ELECTRICAL ENGINEER	1.00	0.00	1.00
SENIOR MECHANICAL ENGINEER	1.00	0.00	1.00
SENIOR SYSTEMS ENGINEER	7.00	3.00	10.00
SYSTEMS ENG & INTEGRATION DIR	1.00	0.00	1.00
SYSTEMS ENGINEER	3.00	0.00	3.00
SYSTEMS ENGINEERING MANAGER	1.00	0.00	1.00
SYSTEMS ENG. & INTEGRATION	22.00	3.00	25.00
TOTAL: DESIGN, ENG & CONST MGMT	203.00	10.00	213.00
EXECUTIVE			
BOARD ADMINISTRATION			
CORRESPONDENCE MANAG COOR	1.00	0.00	1.00
ADMINISTRATIVE SPECIALIST	1.00	0.00	1.00
BOARD ADMINISTRATION MANAGER	1.00	0.00	1.00
BOARD COORDINATOR	2.00	0.00	2.00
BOARD ADMINISTRATION	5.00	0.00	5.00
CHIEF EXECUTIVE OFFICE			
CHIEF EXECUTIVE OFFICER	1.00	0.00	1.00
DEPUTY CHIEF EXECUTIVE OFFICER	1.00	0.00	1.00
EXECUTIVE PROGRAM ADVISOR	1.00	0.00	1.00
SENIOR EXECUTIVE ASSISTANT	1.00	0.00	1.00
CHIEF EXECUTIVE OFFICE	4.00	0.00	4.00
GOV'T & COMMUNITY RELATIONS			
GOV & COMM RELATIONS OFFICER	4.00	0.00	4.00
GOVERN & COMM RELATIONS DIR	1.00	0.00	1.00
STATE RELATIONS OFFICER	1.00	0.00	1.00
GOV'T & COMMUNITY RELATIONS	6.00	0.00	6.00
DIVERSITY PROGRAM			
PLA PROGRAM MANAGER	1.00	0.00	1.00
DIVERSITY PROGRAM DIRECTOR	1.00	0.00	1.00
DIVERSITY PROGRAM SPECIALIST	1.00	0.00	1.00
DIVERSITY SM SMALL BUSINESS MANAGER	1.00	0.00	1.00
DIVERSITY TECHNICAL ADVISOR	1.00	0.00	1.00
LABOR AGREEMENT SPECIALIST	2.00	0.00	2.00
LEAD DIVERSITY PROGRAM SPECIAL	1.00	0.00	1.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
DIVERSITY PROGRAM	9.00	0.00	9.00
HUMAN RESOURCES			
SENIOR EMP/LABOR REL SPEC	0.00	1.00	1.00
EMPLOYEE & LABOR RELATIONS MGR	1.00	0.00	1.00
HUMAN RESOURCES DIRECTOR	1.00	0.00	1.00
HUMAN RESOURCES SPECIALIST	2.00	0.00	2.00
RETIREMENT & BENEFITS ANALYST	1.00	0.00	1.00
SENIOR HRIS/LMS ANALYST	1.00	0.00	1.00
SENIOR RECRUITER	2.00	0.00	2.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
TALENT & ORG DEVELOPMENT MGR	1.00	0.00	1.00
TOTAL REWARDS MANAGER	1.00	0.00	1.00
HUMAN RESOURCES	10.00	1.00	11.00
INTERNAL AUDIT			
INTERNAL AUDIT DIRECTOR	1.00	0.00	1.00
INTERNAL AUDITOR	0.00	0.00	0.00
SENIOR INTERNAL AUDITOR	2.00	0.00	2.00
INTERNAL AUDIT	3.00	0.00	3.00
PROCUREMENT & CONTRACTS			
ADMINISTRATIVE SPECIALIST	2.00	0.00	2.00
ASSISTANT BUYER	1.00	0.00	1.00
CONSTR CONTRACTS SPECIALIST	0.00	0.00	0.00
CONSTRUCTION CONTRACTS MANAGER	0.00	0.00	0.00
CONTRACTS MANAGER	1.00	0.00	1.00
CONTRACTS SPECIALIST	1.00	0.00	1.00
CONTRACTS SYSTEMS SUPERVISOR	1.00	0.00	1.00
DESIGN & CONST CONTRACTS MGR	1.00	0.00	1.00
DESIGN & CONSTR CONTRACT SUPVR	1.00	0.00	1.00
DESIGN & CONSTR CONTRACTS SPEC	4.00	0.00	4.00
PROCUREMENT & CONTRACTS DIR	1.00	0.00	1.00
PROCUREMENT/CONTRACTS ASST	2.00	0.00	2.00
PROCUREMENT/CONTRACTS COORD	1.00	0.00	1.00
SENIOR BUYER/PLANNER	1.00	0.00	1.00
SENIOR CONSTRCT CONTRACTS SPEC	0.00	0.00	0.00
SENIOR CONTRACTS SPECIALIST	7.00	0.00	7.00
SENIOR DESIGN & CONST SPEC	0.00	1.00	1.00
SR DESIGN & CONSTR CONTR SPEC	4.00	0.00	4.00
SR DESIGN & CONSTR CONTR SPEC	2.00	0.00	2.00
PROCUREMENT & CONTRACTS	30.00	1.00	31.00
QUALITY ASSURANCE			
AGENCY QA/QC MANAGER	1.00	0.00	1.00
PROJECT ADMINISTRATION SPEC	1.00	0.00	1.00
QUALITY ASSURANCE ENGINEER	3.00	1.00	4.00
SENIOR QLTY ASSNC ASSESSOR	1.00	0.00	1.00
SENIOR QUALITY ASSURANCE ENG	2.00	0.00	2.00
QUALITY ASSURANCE	8.00	1.00	9.00
SAFETY			
CHIEF SAFETY OFFICER	1.00	0.00	1.00
COMMUNITY OUTREACH SPECIALIST	1.00	0.00	1.00
CONSTRUCTION SAFETY MANAGER	1.00	0.00	1.00
CONSTRUCTION SAFETY SPECIALIST	2.00	0.00	2.00
HEALTH & SAFETY SPECIALIST	1.50	0.50	2.00
PROJECT ADMINISTRATION SPEC	1.00	0.00	1.00
RAIL PASSENGER SAFETY MANAGER	1.00	0.00	1.00
SENIOR CONST SAFETY SPECIALIST	2.00	0.00	2.00
SENIOR HEALTH & SAFETY SPEC	1.00	0.00	1.00
SR SYSTEM SAFETY & ASSUR SPEC	1.00	0.00	1.00
SYSTEM SAFETY & ASSURANCE SPEC	1.00	0.00	1.00
SAFETY	13.50	0.50	14.00
SAFETY & QA DIRECTOR'S OFFICE			
DIRECTOR OF SAFETY AND QA	1.00	0.00	1.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
SAFETY & QA DIRECTOR'S OFFICE	2.00	0.00	2.00
TOTAL: EXECUTIVE	90.50	3.50	94.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
FINANCE & INFORMATION TECHNOLOGY			
BUDGET & FINANCIAL PLANNING			
BUDGET MANAGER	2.00	0.00	2.00
BUDGET SUPERVISOR	0.00	0.00	0.00
BUSINESS ANALYST	0.29	0.00	0.29
DIRECTOR OF BUDGET & FIN PLAN	1.00	0.00	1.00
FINANCE & BUDGET COORDINATOR	1.00	0.00	1.00
SENIOR FINANCIAL BUDGET ANALYS	6.00	0.00	6.00
SENIOR FINANCIAL PLANNER	2.00	0.00	2.00
BUDGET & FINANCIAL PLANNING	12.29	0.00	12.29
CHIEF FINANCIAL OFFICER			
EXECUTIVE ASSISTANT	1.00	0.00	1.00
EXECUTIVE DIRECTOR OF FIN & IT	1.00	0.00	1.00
CHIEF FINANCIAL OFFICER'S	2.00	0.00	2.00
FINANCIAL ACCOUNTING			
ACCOUNTANT I	2.00	0.00	2.00
ACCOUNTANT II	3.00	0.00	3.00
ACCOUNTING MANAGER	1.00	0.00	1.00
ACCOUNTING SUPERVISOR	1.00	0.00	1.00
ACCOUNTS PAYABLE SPECIALIST	3.00	0.00	3.00
ACCOUNTS PAYABLE SUPERVISOR	1.00	0.00	1.00
ACCT OPS & BUS PROCESS MGR	1.00	0.00	1.00
ASSISTANT CONTROLLER	1.00	0.00	1.00
BUSINESS ANALYST	0.33	0.00	0.33
CONTROLLER	1.00	0.00	1.00
MANAGEMENT ANALYST	1.00	0.00	1.00
PAYROLL SPECIALIST	1.00	0.00	1.00
PAYROLL SUPERVISOR	1.00	0.00	1.00
SENIOR ACCOUNTANT	2.00	0.00	2.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
SENIOR FINANCIAL ANALYST	1.00	0.00	1.00
SR FINANCIAL REPORTING ANALYST	1.00	0.00	1.00
FINANCIAL ACCOUNTING	22.33	0.00	22.33
GENERAL SERVICES/WAREHOUSE			
GENERAL SERVICES CENTER ASSIST	1.00	0.00	1.00
GENERAL SERVICES CENTER COORD	1.00	0.00	1.00
GENERAL SERVICES/WAREHOUSE	2.00	0.00	2.00
GRANTS			
GRANTS ADMINISTRATOR	1.00	0.00	1.00
GRANTS MANAGER	1.00	0.00	1.00
GRANTS SPECIALIST	2.00	0.00	2.00
GRANTS	4.00	0.00	4.00
INFORMATION TECHNOLOGY			
SENIOR IT SYSTEMS ENGINEER	0.00	0.00	0.00
SYSTEMS ENGINEER	1.00	0.00	1.00
APPLICATIONS DEV SUPERVISOR	0.00	1.00	0.00
BUSINESS ANALYST	0.38	0.00	0.38
DATA ARCHITECT	1.00	0.00	1.00
DATABASE ADMIN SUPERVISOR	0.00	1.00	0.00
DATABASE ADMINISTRATOR	1.00	0.00	1.00
DEPUTY CHIEF INFORMATION OFF	1.00	0.00	1.00
DEPUTY EXECUTIVE DIRECTOR	1.00	0.00	1.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
GIS ANALYST	1.00	0.00	1.00
GIS SPECIALIST	1.00	0.00	1.00
HELPDESK SUPPORT TECHNICIAN	2.00	0.00	2.00
INFO TECH SYSTEMS ANALYST	0.00	0.50	0.50
IT APPLICATIONS DEVELOPER	0.00	1.00	1.00
IT BUSINESS MANAGER	1.00	0.00	1.00
IT DIRECTOR, OPERATIONS	0.00	0.00	0.00
IT MANAGER	3.00	0.00	3.00
IT MANAGER - RES & TECH	1.00	0.00	1.00
IT MANAGER DEVELOPMENT	0.00	0.00	1.00
IT MANAGER, PMO	1.00	0.00	1.00
IT MANAGER-TRANSIT RIDER TECH	0.00	0.00	0.00
IT PROJECT ANALYST	1.00	0.00	1.00
IT PROJECT MANAGER	3.00	1.00	5.00
IT PURCHASING COORDINATOR	1.00	0.00	1.00
IT SENIOR PROJECT MANAGER	1.00	0.00	1.00
IT SERVICE DESK MANAGER	1.00	0.00	1.00
IT SUPPORT SPECIALIST	3.00	0.00	3.00
IT SYSTEM ADMINISTRATOR	2.00	0.00	2.00
IT SYSTEM ENGINEER	1.00	0.00	1.00
NETWORK ENGINEER	1.00	0.00	1.00
R&T PROGRAM SUPERVISOR	0.00	1.00	0.00
REPORT DEVELOPER	1.00	0.00	1.00
SENIOR CLIENT SYSTEM ARCHITECT	1.00	0.00	1.00
SENIOR DATABASE ADMINISTRATOR	1.00	0.00	2.00
SENIOR ENTERPRISE ARCHITECT	1.00	0.00	1.00
SENIOR IT PROJECT MANAGER	2.00	0.00	2.00
SENIOR IT SUPPORT SPECIALIST	2.00	0.00	2.00
SENIOR IT SYSTEM ANALYST	1.00	0.00	1.00
SENIOR IT SYSTEMS ANALYST	4.00	0.00	4.00
SENIOR IT SYSTEMS ANALYST, EAM	1.00	0.00	1.00
SENIOR IT SYSTEMS ENGINEER	1.00	0.00	1.00
SENIOR NETWORK ENG, NET DES	1.00	0.00	1.00
SENIOR NETWORK ENGINEER	1.00	0.00	1.00
SR IT NETWORK ENGINEER	1.00	0.00	1.00
TRANSIT SYSTEMS ELECTRICIAN	0.00	1.00	1.00
TRANSIT SYSTEMS ENGINEER	0.00	1.00	1.00
WEB DEVELOPER	1.00	0.00	1.00
INFORMATION TECHNOLOGY	48.38	7.50	55.88
ORCA REGIONAL SERVICES			
ORCA ADMINISTRATIVE ANALYST	1.00	0.00	1.00
ORCA REGIONAL PROGRAM ADMIN	1.00	0.00	1.00
ORCA REGIONAL SERVICES	2.00	0.00	2.00
ORCA ST REGIONAL SERVICES			
CASH ACCOUNTANT	1.00	0.00	1.00
FISCAL AGENT - ORCA	1.00	0.00	1.00
INFO TECH SYSTEMS ANALYST	1.00	-0.50	0.50
REVENUE ANALYSIS MANAGER	0.50	0.50	1.00
SENIOR CUSTOMER SERVICE REP	1.00	0.00	1.00
ORCA ST REGIONAL SERVICES	4.50	0.00	4.50
RECORDS MANAGEMENT			
ELECTRONIC RECORDS ANALYST	0.00	1.00	1.00
RECORDS MANAGEMENT COORDINATOR	1.00	0.00	1.00
RECORDS MANAGER	1.00	0.00	1.00
RECORDS MANAGEMENT	2.00	1.00	3.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
RISK MANAGEMENT			
ADMINISTRATIVE SPECIALIST	1.00	0.00	1.00
DIRECTOR OF RISK MANAGEMENT	1.00	0.00	1.00
RISK & CLAIMS ANALYST	2.00	0.00	2.00
RISK & INSURANCE MANAGER	1.00	0.00	1.00
RISK MANAGEMENT	5.00	0.00	5.00
TREASURY & REVENUE			
CASH ACCOUNTANT	1.00	0.00	1.00
CASH/INVESTMENT ADMINISTRATOR	1.00	0.00	1.00
ORCA SITE ADMINISTRATOR	1.00	0.00	1.00
REVENUE ANALYSIS MANAGER	0.50	-0.50	0.00
SENIOR FINANCIAL ANALYST	1.00	0.00	1.00
TREASURER	1.00	0.00	1.00
TREASURY & REVENUE	5.50	-0.50	5.00
TOTAL: FINANCE & INFO TECHNOLOGY TOTAL	110.00	8.00	118.00
LEGAL			
LEGAL GENERAL COUNSEL			
PARALEGAL	0.00	1.00	1.00
ADMINISTRATIVE SPECIALIST	1.00	0.00	1.00
BUS MGR/PUBLIC RECORD OFFICER	1.00	0.00	1.00
DEPUTY GENERAL COUNSEL	1.00	0.00	1.00
EXECUTIVE ASSISTANT	1.00	0.00	1.00
GENERAL COUNSEL	1.00	0.00	1.00
LEGAL COUNSEL	1.00	0.00	1.00
LEGAL PROJ ASST/COMP MONITOR	1.00	0.00	1.00
LEGAL PROJECT ASSISTANT	0.00	0.00	0.00
LEGAL SECRETARY	1.00	0.00	1.00
PROJECT ADMINISTRATION SPEC	1.00	0.00	1.00
SENIOR LEGAL COUNSEL	7.00	0.00	7.00
TOTAL: LEGAL	16.00	1.00	17.00
OPERATIONS			
ASSET PLANNING & PROGRAMMING			
ASSET CONTROL PLANNER	0.00	0.00	0.00
ASSET CONTROL SPECIALIST	1.00	0.00	1.00
ASSET PLNG & PROGRAMMING MGR	1.00	0.00	1.00
DOCUMENT CONTROL COORDINATOR	0.00	0.00	0.00
PROJECT MANAGER, ASSET CONTROL	1.00	0.00	1.00
SENIOR DOCUMENT CONTROL COORD	1.00	0.00	1.00
SPACE PLANNING/CADD OPERATOR	1.00	0.00	1.00
ASSET PLANNING & PROGRAMMING	5.00	0.00	5.00
BUSINESS SERVICES			
BUSINESS SYSTEMS ANALYST	0.00	0.00	0.00
OPERATIONS BUSINESS ANALYST	1.00	0.00	1.00
OPERATIONS BUSINESS COORD	3.00	0.00	3.00
OPERATIONS BUSINESS MANAGER	1.00	0.00	1.00
SENIOR BUSINESS ANALYST	1.00	1.00	2.00
BUSINESS SERVICES	6.00	1.00	7.00
CUSTOMER FAC & ACCESSIBLE SERV			
ACCESSIBILITY COORDINATOR	1.00	0.00	1.00
CUST FAC & ACC SERVICES MGR	1.00	0.00	1.00
FACILITIES COORDINATOR	0.00	0.00	0.00
PARKING & CUST FACILITIES COOR	0.00	0.00	0.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
PROJECT MANAGER, CFAS	1.00	0.00	1.00
SENIOR CFAS COORDINATOR	3.00	0.00	3.00
CUSTOMER FAC & ACCESSIBLE SERV	6.00	0.00	6.00
CUSTOMER SERVICES			
CUSTOMER SERVICE MANAGER	1.00	0.00	1.00
CUSTOMER SERVICE REP	4.00	0.00	4.00
CUSTOMER SERVICE SUPERVISOR	2.00	0.00	2.00
RECEPTIONIST/ADMIN ASSISTANT	2.00	0.00	2.00
SENIOR CUSTOMER SERVICE REP	2.00	0.00	2.00
CUSTOMER SERVICES	11.00	0.00	11.00
FACILITIES			
ASSISTANT FACILITIES MAINT MGR	1.00	0.00	1.00
FACILITIES ASSISTANT	0.00	0.00	0.00
FACILITIES COORDINATOR	0.00	0.00	0.00
FACILITIES MAINTENANCE MANAGER	1.00	0.00	1.00
FACILITIES PROJECT MANAGER	3.00	0.00	3.00
FACILITIES SPECIALIST	6.00	0.00	6.00
PROJECT MANAGER	1.00	0.00	1.00
SENIOR FACILITIES COORDINATOR	2.00	0.00	2.00
SENIOR FACILITIES SPECIALIST	5.00	0.00	5.00
FACILITIES	19.00	0.00	19.00
OPERATIONS DIRECTOR'S OFFICE			
ADMINISTRATIVE ANALYST	1.00	0.00	1.00
DEPUTY EXEC DIR TRANS & MAINT	1.00	0.00	1.00
EXECUTIVE ASSISTANT	1.00	0.00	1.00
EXECUTIVE DIRECTOR OF OPER	1.00	0.00	1.00
FACILITY & ASSET CONTROL DIR	1.00	0.00	1.00
LIGHT RAIL OPERATIONS DIRECTOR	1.00	0.00	1.00
OPERATIONS SUPPORT SERVICES DIR	1.00	0.00	1.00
PROJECT ADMINISTRATION SPEC	1.00	0.00	1.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
OPERATIONS DIRECTOR'S OFFICE	9.00	0.00	9.00
SECURITY			
CPTED/TECHNICAL SECURITY SPEC	0.00	1.00	1.00
CHIEF SECURITY OFFICER	1.00	0.00	1.00
OPERATIONAL SECURITY SPEC	1.00	0.00	1.00
PROJECT ADMINISTRATION SPEC	1.00	0.00	1.00
SECURITY	3.00	1.00	4.00
SERVICE PLANNING & DEVELOPMENT			
ASSISTANT SERVICE PLANNER	1.00	0.00	1.00
SERVICE PLANNER	2.00	0.00	2.00
SERVICE PLANNING MANAGER	1.00	0.00	1.00
SERVICE PLANNING & DEVELOPMENT	4.00	0.00	4.00
TOTAL: OPERATIONS	63.00	2.00	65.00
PLANNING, ENV & PROJECT DEV			
ENVIRONMENTAL & SUSTAINABILITY			
ASSOCIATE PLANNER	2.00	0.00	2.00
DEPUTY DIR OF ENVIRON AFF & SUS	1.00	0.00	1.00
ENVIRON AFFAIRS & SUSTAIN DIR	1.00	0.00	1.00
ENVIRONMENTAL ANALYST	0.00	0.00	0.00
ENVIRONMENTAL COMPLIANCE MGR	1.00	0.00	1.00
ENVIRONMENTAL PLANNER	3.00	1.00	4.00

Department/Division/Position	2012 Staffing	New 2013 Positions	2013 Staffing
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
SENIOR ENVIRONMENTAL ANALYST	0.00	0.00	0.00
SENIOR ENVIRONMENTAL PLANNER	5.00	0.00	5.00
SUSTAINABILITY MANAGER	1.00	0.00	1.00
ENVIRONMENTAL & SUSTAINABILITY	15.00	1.00	16.00
LIGHT RAIL PROJECT DEVELOPMENT			
LIGHT RAIL DEVELOPMENT MANAGER	3.00	0.00	3.00
LIGHT RAIL PROJECT DEV DIR	1.00	0.00	1.00
PROJECT MANAGER - AGREEMENTS	1.00	0.00	1.00
PROJECT MANAGER - LR SEGMENT	5.00	2.00	7.00
SENIOR ADMINISTRATIVE SPEC	1.00	0.00	1.00
TRANSPORTATION PLANNER	1.00	0.00	1.00
LIGHT RAIL PROJECT DEVELOPMENT	12.00	2.00	14.00
PEPD DIRECTOR'S OFFICE			
EXECUTIVE ASSISTANT	1.00	0.00	1.00
EXECUTIVE DIRECTOR PEPD	1.00	0.00	1.00
PEPD DIRECTOR'S OFFICE	2.00	0.00	2.00
PLANNING AND DEVELOPMENT			
ASSOCIATE PLANNER	1.00	0.00	1.00
BUSINESS ACCT REPRESENTATIVE	0.00	0.00	0.00
BUSINESS DEVELOPMENT COORDINAT	1.00	0.00	1.00
PLANNING & DEVELOPMENT DIR	1.00	0.00	1.00
PLANNING & PROJECT DEV MGR	1.00	0.00	1.00
PROJECT MANAGER - MODELER	1.00	0.00	1.00
RESEARCH, POLICY & BUS DEV MGR	1.00	0.00	1.00
SENIOR POLICY PLANNER	0.00	1.00	1.00
SENIOR TRANSPORTATION PLANNER	3.00	0.00	3.00
PLANNING AND DEVELOPMENT	9.00	1.00	10.00
TRANSIT ORIENTED DEVELOPMENT			
SENIOR TOD ANALYST	1.00	0.00	1.00
SENIOR TOD SPECIALIST	1.00	0.00	1.00
TOD MANAGER	1.00	0.00	1.00
TRANSIT ORIENTED DEVELOPMENT	3.00	0.00	3.00
TOTAL: PLANNING, ENV & PROJECT DEV	41.00	4.00	45.00
AGENCY ADMINISTRATION TOTAL	553.50	28.50	582.00

APPENDIX B

Budget Process

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Budget Process

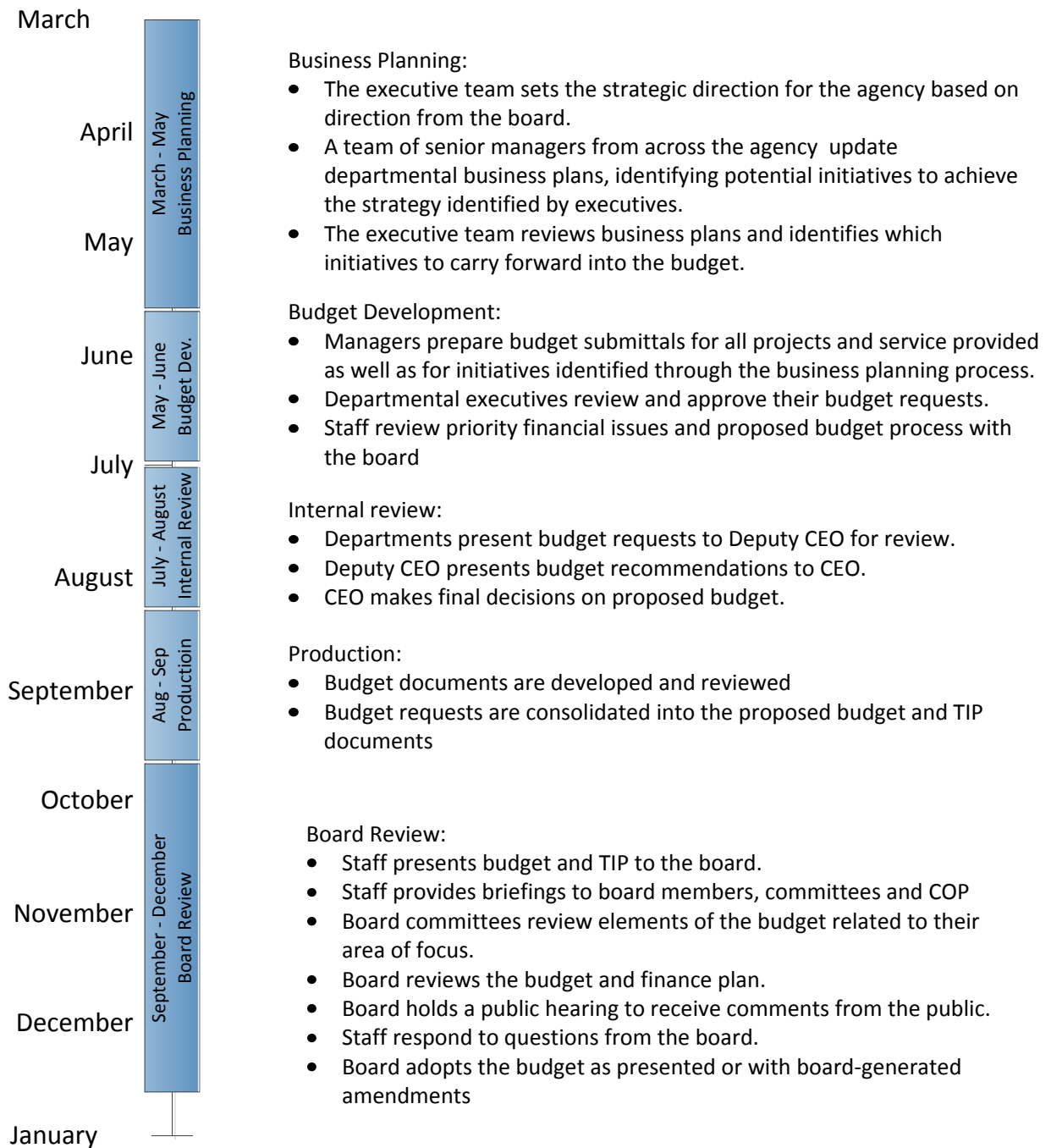
Sound Transit's budget process is structured to serve two purposes. Within the Agency, the development of the budget provides a forum for joint planning of objectives and tasks, with executive and board review of programs. For the region's citizens, the budget reports on the status of projects and services,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

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

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

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

SOUND TRANSIT BUDGET PROCESS SUMMARY



APPENDIX C

Subarea Allocations

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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, reviewed by the Citizen Oversight Panel and approved by the Audit and Reporting Committee of the board. All results from independent examinations are presented to the board.

This appendix provides the drivers that will be used to allocate sources and uses to subareas in 2012 as well as new projects for 2013. Any additional projects will be added at the end of the year when subarea allocations are calculated.

Revenues and Financing Sources

Sources

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

PASSENGER FARES

Description	Driver
Souder Fares	Trip Cash Equivalent Full Fare Value
ST Express Bus Fares	Route Boardings / Platform Hours
Central Link Light Rail Fares	Station Boardings

Operating Uses

LINK LIGHT RAIL SERVICES OPERATING USES

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

SOUNDER COMMUTER RAIL SERVICES OPERATING USES

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

ST EXPRESS BUS SERVICES OPERATING USES

Description	Driver
Bus Operations	Platform Hours

OTHER USES

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

Capital Project Uses (Outlays)

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

System Express - Sounder Commuter Rail Projects	Driver
Station Access & Demand Study	ST2 Adopted Financial Plan
Eastside Rail Partnership	Location
Sounder Yard and Shops Facility	ST2 Adopted Financial Plan
Willow Creek Environmental Mitigation	Location
Sounder ST2 Fleet Expansion	ST2 Adopted Financial Plan
M St.-Lakewood Track & Signal	Location
Permitting/ Environmental Mitigation	Location
D St-M St Track & Signal	Location
Layover	Vehicle Miles
Mukilteo Station, South Platform	Location

System Express - Sounder Commuter Rail Projects	Driver
Edmonds Station	Location
Tukwila Station	Location
South Tacoma Station	Location
Lakewood Station	Location
Sounder South Expanded Service	ST2 Adopted Financial Plan
Puyallup Station Improvements	Location
Sumner Station Improvements	Location
Lakewood Station Improvements	Location
Reservation Junction Track & Signal	Location

System Expansion - Regional Express Bus Projects	Driver
ST Express Bus Base	ST2 Adopted Financial Plan
ST Express Mid-Day Bus Storage	Service Location
Burien Transit Center Parking Expansion	Location
Ash Way Transit Access	Location
Federal Way HOV Access / S 317 th	Location
Totem Lake Freeway Station	Location
85 th Corridor, Kirkland	Location
Kirkland Transit Center/3rd	Location
Renton HOV Access / N 8 th	Location
Rainier Avenue Arterial Improvements	Location
Strander Boulevard Extension	Location
Mountlake Terrace Freeway Station	Location
S. Everett Freeway Station / 112 th	Location
Federal Way Transit Center	Location
Canyon Park Freeway Station	Location
Issaquah Transit Center / SR900	Location
Totem Lake Transit Center	Location
Newcastle Transit Improvements	Location
Mercer Island Park & Ride	Location
I-90 2-Way Tran & HOV Op, St 1	Location
SR 522 HOV Enhancements/Kenmore	Location
SR 522 HOV Enhancements/Bothell	Location
I-90 2-Way Tran & HOV Op, St 2	Location

System Expansion - Regional Express Bus Projects	Driver
I-90 2-Way Tran & HOV Op, St 3	Location

System Expansion – Other	Driver
ST3 Planning	Financial Policies
South Corridor Alternative Planning	Location
Ballard to Downtown Seattle HCT Planning Study	Financial Policies
HCT Corridor Planning Studies	Financial Policies
Fare Integration	Financial Policies
Fare Administration	Financial Policies
Research and Technology	Financial Policies
STart	Location
Passenger Information System / CCTV	Number per Location
Ticket Vending Machines	Number per Location

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

Enhancement Projects	Driver
Central Link OMF UPS Room Improvement	Boardings / Track Miles
Central Link Overhead Catenary System Tie Switch	Boardings / Track Miles
Benchtest Equipment	Track Miles / Boardings
Security Radios	Multiple Drivers
Non Revenue Support Vehicles	Multiple Drivers
Central Link Switch Heaters	2009 Sound Move Reported Rules; Vehicle Maintenance
DSTT South Access Security	Location

Rehabilitation & Replacement Projects	Driver
Beacon Avenue Paving	Location
Link Station Paver Replacement	Location
Tacoma Dome Station	Location
ST Express Fleet Replacement	Platform Hours
Small Works Program	Location
Tacoma Link Auxiliary Power Supply Replacement	Location
Tacoma Link LRV Communications Upgrade	Location
Auburn Station: Post Tension Cable Repair	Location
Federal Way: Post Tension Cable Repair	Location
Souder Vehicle Maintenance Program	Vehicle Miles
Station Midlife Maintenance	Location

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

Systemwide Uses

Description	Driver
Agency Administration	Financial Policies

Debt Service

Description	Driver
Debt Service	Financial Plan

APPENDIX D

Reconciliation of Adopted Budget to Proposed Budget

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Reconciliation of Adopted Budget to Proposed Budget

The proposed 2013 budget and proposed 2013 Transit Improvement Plan (TIP) were submitted for Board review in September 2012. By Resolution No. R2012-25, the board adopted the annual budget for the period January 1 through December 31, 2013. Consistent with budget policies, the resolution adopted the operating and capital plan contained in the proposed budget, and authorized Sound Transit to expend \$1,099.97 million in the operating and capital program subject to changes identified in selected amendments and administrative adjustments. Resolution No. R2012-25 also projected annual revenues of \$836.1 million.

Adjustments to the Operating & Capital Budget for Fiscal Year 2013

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 administrative adjustments are shown in attachment D to the proposed budget.

After the close of fiscal year 2012, the adopted 2013 budget document was produced. Based on a comparison of the forecasted expenditures for 2012 contained in the proposed budget to actual expenditures, project budget cashflows are adjusted to reflect actual 2012 expenditures. These adjustments may result in offsetting adjustments to the 2013 fiscal year budget.

As part of the budget review process, board committees reviewed the proposed 2013 budget, administrative adjustments and amendments before the final approval of the budget by the board. These changes made by the board as part of the review process are included in the following reconciliation.

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

1. Budget amendments and administrative adjustments to the proposed budget that were adopted by the board
2. Updated project cashflows to reflect actual 2012 capital outlays.
3. Any other changes per Resolution No. R2012-25.

Consistent with budget policies and Resolution No. R2012-25, the following changes were made to the proposed 2013 budget. In total, these changes decreased the operating & capital outlay budget for 2013 by \$48.6 million to a new total of \$1,051.4 million.

	(thousands)
Proposed Operating & Capital Budget for 2013	\$1,099,970
1. Budget Amendments	10,240
2. Administrative Adjustments	-79,810
2. Cashflow Changes	20,952
3. Any Other Changes Per Resolution R2012-25	0
Adopted Operating & Capital Budget for 2013 *	\$1,051,352

* Numbers may not sum due to rounding.

1a. Changes to Budgets reflected in Amendments

Project Category	Project Name or Description	2013 Change (\$000)	Comments
System Expansion -Regional Express	I-90 Two -Way Transit & HOV Operations Stage 1 (#5x382)	(38)	Budget decrease reflects final costs of project close-out.
System Expansion -Regional Express	I-90 Two -Way Transit & HOV Operations Stage 2 (#5x386)	362	Budget increase reflects close-out of outstanding construction change orders and costs for plant establishment.
System Expansion -Sounder	Service Delivery Budget - Sounder Commuter Rail	155	Budget increase to fund additional parking at Edmonds Station.
System Expansion -Other	ST3 Planning (#1x902)	2,000	Budget increase to allow for the updating of the Long Range Plan.
System Expansion -Other	HCT Corridor Planning Studies (#809102)	7,760	Budget increase to fund high-capacity transit corridor planning studies in ST2.
	Total	10,240	

1b. Changes to Budgets reflected in Administrative Adjustments

Administrative adjustments for certain projects within the project delivery program shift dollars between years and phases, to reflect changes in the treatment of prior expenditures and result in a change to proposed budget spending in 2013. The following administrative adjustments were approved by the Executive Committee on 12/6/12 and the Board on 12/20/12:

Project Category	Project Name or Description	2013 Change (\$000)	Comments
System Expansion -Sounder	Mukilteo Station - South Platform (3x206)	(5,908)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Sounder	Tukwila Station (3x236)	(4,071)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Sounder	D St - M St Track & Signal (#3X135)	(2,427)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Sounder	Reservation Junction Track & Signal (#300021)	(1,215)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Regional Express	I-90 Two-way Transit & HOV Operations, Stage 3 (#5x387)	2,536	This budget increase reflects updated cash flow forecasts to support current project schedules.
System Expansion -Link	Northgate Link Extension (#4x100)	(19,436)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Link	University Link Extension (#4x200)	(30,812)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Link	Initial Segment (#4x300)	850	This budget increase reflects updated cash flow forecasts to support current project schedules.
System Expansion -Link	S 200th Link Extension (#4x420)	(14,502)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
System Expansion -Other	STart (#6x000)	350	This annual budget was updated to reflect current cashflow forecasts and the addition of D to M Street project art.
System Expansion -Other	Research & Technology (#4x410)	393	This budget increase reflects updated cash flow forecasts to support current project schedules.
Enhancement -Sounder	Positive Train Control (#300011)	(5,544)	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Enhancement -Link	LRV On-Board Energy Storage (#4x210)	(439)	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Enhancement -Other	TOD Planning (#8x341B)	(200)	This budget decrease reflects updated cash flow forecasts to support current project schedules.
Enhancement -Other	TOD Property Disposition (#8x341A)	65	This budget increase reflects updated cash flow forecasts to support current project schedules.
Administrative -Other	Information Technology Program (#0x0011)	550	This budget increase reflects updated cash flow forecasts to support current project schedules.
	Total	(79,810)	

2. Updated Project Cashflows Based on Actual Expenditures in 2012

Project cashflows within the proposed 2013 budget document included a forecast for 2012 expenditures. As part of developing the adopted 2013 budget document, the proposed 2013 budget annual project cashflows are updated to reflect actual capital outlays for the preceding year (2012). Normally, adjustments are made so as not to change the projected cashflow for fiscal year 2013 by project as shown in the proposed 2013 budget. However, in certain limited instances for projects that are anticipated to be closed in 2013, the fiscal year 2013 projected cashflow had to be adjusted from that shown in the proposed 2013 budget in order to incorporate actual 2012 outlays. In all such cases no changes were made to the total lifetime budget. The effect of this change is an increase of \$21.0 million for cashflow adjustments. The following projects' fiscal year 2013 projected cashflows were adjusted:

Project	Proposed 2013 (\$000)	Revised 2013 (\$000)	Difference (\$000)	Comments
System Expansion - Link Light Rail				
Initial Segment (#4x300) *	850	882	32	Project scheduled for completion in 2013 and the \$32K variance represents carry over of a portion of the unspent budget with the balance placed in 2014.
Airport Link (#4x400)	0	400	400	Project scheduled for completion in 2013 and variance represents a portion of unspent budget with the balance placed in 2014.
System Expansion - Sounder				
Station Access and Demand Study (#300001)	210	357	147	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Lakewood Station Improvements (#300019)	679	1,142	463	This carry over represents the balance of the fixed payments to Puyallup for the completion of the project in 2013.
Willow Creek Environmental Mitigation (#3x101)	0	1	1	Project completed in 2012 and variance represents carry over of unspent budget into 2013.
M Street to Lakewood Track and Signal (3x130)	208	1,246	1,038	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Permitting and Environmental Mitigation (3x131)	965	1,979	1,014	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Layover (3x140)	3,332	8,430	5,098	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Edmonds Station (3x209)	0	86	86	Project completed in 2012 and variance represents carry over of unspent budget into 2013.
South Tacoma Station (3x251)	31	122	91	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Lakewood Station (3x253)	0	13	13	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Sounder South Expanded Service (3x510)	45,505	50,722	5,217	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.

* Proposed 2013 Budget for Initial Segment shown in this table reflects an administrative adjustment of \$850 K approved by the board, so that the cashflow adjustment only reflects budget in addition to this administrative adjustment.

Project	Proposed 2013 (\$000)	Revised 2013 (\$000)	Difference (\$000)	Comments
System Expansion - Regional Express				
ST Express Mid Day Bus Storage (#500020)	381	489	108	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Ash Way Transit Access (#5x105)	0	4	4	Project scheduled for completion in 2012 and variance represents carry over of unspent budget
Federal Way HOV Access/S 317th (#5x125)	0	26	26	Project scheduled for completion in 2012 and variance represents carry over of unspent budget
Totem Lake Freeway Station (#5x140)	407	501	94	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Kirkland Transit Center/3rd (#5x142)	391	580	189	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Rainier Ave Arterial Improvements (#5x151)	2,005	5,792	3,787	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Strander Boulevard Extension (#5x152)	2,115	2,527	412	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Mountlake Terrace Freeway Station (#5x312)	2,234	4,080	1,846	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
S Everett Freeway Station (#5x319)	65	153	88	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Federal Way Transit Center (#5x321)	1,549	1,559	10	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Canyon Park Freeway Station (#5x324)	26	37	11	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
Issaquah Transit Center/SR900 (#5x326)	13	27	14	Project scheduled for completion in 2013 and variance represents carry over of unspent budget
SR522 HOV Enhancements/Bothell (#5x385)	0	4	4	Project scheduled for completion in 2012 and variance represents carry over of unspent budget
I-90 2-Way Trans & HOV Op, Stage 2 (#5x386)	541	348	(193)	Anticipated costs budgeted in 2013 were incurred in 2012.
System Expansion - Other				
Passenger Information Systems (#3x216)	861	463	(398)	Overspending in 2012 results in a change to 2013 budget.
Enhancement				
Security Enhancements (#7x743)	0	260	260	Underspending in 2012 results in a change to 2013 budget since the project is in service.
Parking Enhancements (#7x746)	0	839	839	Project scheduled for completion in 2012 and variance represents carry over of unspent budget into 2013.
Link OMF Laydown Area Improvements #7x760)	0	49	49	Underspending in 2012 results in a change to 2013 budget since the project is in service.
Link LRV Wash Bay Doors (#7x762)	0	112	112	Underspending in 2012 results in a change to 2013 budget since the project is in service.
HVAC for Traction Power Sub Station (#7x773)	600	598	(2)	Overspending in 2012 results in a change to 2013 budget.
HVAC for Instrument House & UPS Room (#7x774)	420	419	(1)	Overspending in 2012 results in a change to 2013 budget.
DSTT South Access Security (#4x320)	0	88	88	Project scheduled for completion in 2012 and variance represents carry over of unspent budget into 2013.
Rehabilitation & Replacement				
Tacoma Link Auxiliary Power Supply (#7x757)	0	5	5	Project scheduled for completion in 2013 and variance represents carry over of unspent budget into 2013.
Total	0	0	20,952	

3. Other Changes per Resolution No. R2012-25

There were no other changes per Resolution No. R2012-25.

APPENDIX E

Resolution No. R2012-25

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RESOLUTION NO. R2012-25
Proposed 2013 Budget

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Executive Committee	12/6/12	Recommendation to Board	Brian McCartan, Executive Director Finance & Information Technology	206-398-5100
Board	12/20/12	Final Action	Pete Rogness, Director, Budget and Financial Planning	206-398-5102

PROPOSED ACTION

Adopts the Proposed 2013 Budget.

KEY FEATURES

- The Proposed 2013 Budget requests funding authorization of \$1.10 billion; \$211.8 million for Service Delivery, \$755.0 million for Project Delivery, and \$133.2 million for Agency Administration (includes debt service).
- The Proposed 2013 Budget would be funded by an estimated \$836.1 million in revenue.
- The Proposed 2013 Budget is fully affordable within the agency's existing revenue projections and financial policies.

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. Sound Transit's budget and fiscal year runs from January to December.

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

FISCAL INFORMATION

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan. The Proposed 2013 Budget is fully affordable within the agency's existing revenue projections and financial policies.

Sound Transit's Proposed 2013 Budget requests funding authorization totaling \$1,099,970,326 in operating expenditures and capital outlays. The agency's expenses and outlays will be funded by an estimated \$836,143,422 in revenue and other financing sources (on an accrual basis) and by an estimated positive cash position in January 2013 of \$742,050,670.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

The resolution approves the following expenditures for 2013:

- \$211.8 million for service delivery made up of \$4.3 million for Tacoma Link, \$57.8 million for Central Link, \$40.0 million for Sounder and \$109.7 million for ST Express. The resolution authorizes expenditures at the modal level to exceed these levels by up to 2% so long as the total service delivery budget of \$211.8 million is not exceeded.
- \$92.0 million for staff operations
- \$106.3 million for debt service
- \$755.0 million for the delivery of projects, made up of:
 - System Expansion - \$690.4 million which includes:
 - \$92.4 million for Sounder
 - \$560.1 million for Link
 - \$24.0 million for ST Express projects
 - \$13.8 million Other non-mode specific projects
 - Enhancements - \$28.6 million
 - Rehabilitation and Replacement - \$31.5 million
 - Administrative Projects - \$4.5 million

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

- \$49.8 million for the Capital Replacement Fund
- \$2.0 million for the Emergency/Loss Fund

The resolution also includes estimated revenues of:

- \$560.0 million from Retail Sales and Use Tax
- \$70.2 million from Motor Vehicle Excise and Rental Car Taxes
- \$136.8 million from federal grants
- \$52.5 million from farebox revenues
- \$5.6 million in interest earnings
- \$11.1 million in miscellaneous revenues

Administrative Changes:

This resolution also authorizes administrative changes as endorsed and forwarded by the Capital and Operating and Administration Committees and those adopted by the Board through a separate action.

For 2013 budget management, staff will continue providing quarterly briefings to the Audit and Reporting Subcommittee on progress to date.

ENVIRONMENTAL COMPLIANCE

JI 11/9/12

PRIOR BOARD/COMMITTEE ACTIONS

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

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

TIME CONSTRAINTS

A one-month delay would postpone adoption of the Proposed 2013 Budget into the 2013 fiscal year.

PUBLIC INVOLVEMENT

The Sound Transit Board reviewed the Proposed 2013 Budget in public session in September, October and November. On November 1, 2012 a public hearing was held in order to provide an opportunity for testimony from interested members of the public.

LEGAL REVIEW

JW 12/3/12

RESOLUTION NO. R2012-25

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, 2013 and endorsing the 2013 Transit Improvement Plan.

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 2013 Budget for Board consideration; and

WHEREAS, the Proposed 2013 Budget is consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2008-10 and is in compliance with the Budget Policies as adopted by Resolution No. R2002-08; and

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

WHEREAS a public hearing was held on November 1, 2012 to take testimony on the Proposed 2013 Budget; and

WHEREAS, at its November 1, 2012 meeting, the Operations and Administration Committee recommended the Proposed 2013 Service Delivery and Agency Administration budgets to the Executive Committee; and

WHEREAS, at its November 8, 2012 meeting, the Capital Committee recommended the Proposed 2013 Project Delivery budget and amendments approved by the Committee to the Executive Committee; and

WHEREAS, the Executive Committee reviewed the overall Proposed 2013 Budget, incorporated the Capital and Operations and Administration Committees' recommended budgets, approved certain budget amendments, and recommended Board adoption of the Proposed 2013 Budget; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the 2013 Budget.

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

Section 1a – Debt Service. Sound Transit is authorized to incur \$73,026,364 in interest expense on debt and \$33,250,000 in principal repayments for a total of \$106,276,364 for debt service on outstanding bonds or such amounts as required to account for timing differences in debt payments or as are contained in amendments to the 2013 Budget as adopted by the Board.

Section 1b – Agency Administration. Sound Transit is authorized to incur \$91,981,722 in staff operating expenses, and \$134,433,020 for depreciation and other non-cash expenses or such amounts as are contained in amendments to the 2013 Budget as adopted by the Board.

Section 1c – Service Delivery. Sound Transit is authorized to incur \$211,794,435 for Central Link, Tacoma Link, Sounder, and ST Express Service Delivery or such amounts as are contained in amendments to the 2013 Budget as adopted by the Board. Expenditures against the Service Delivery budgets for Sounder, Central Link, ST Express, and Tacoma Link may exceed the levels contained in the Adopted 2013 Budget by up to 2% provided that the total Service Delivery expenses do not exceed the total Board

approved budget amount. If expenditures for a mode are forecast to exceed the modal budget by more than 2%, the CEO shall seek Board adoption of a budget amendment.

Section 1d – Project Delivery. Sound Transit is authorized to incur the following amounts for Project Delivery: \$754,965,118 in project outlays (including allocations) comprised of System Expansion outlays of \$24,015,986 in Regional Express, \$92,377,706 in Sounder, \$560,137,962 in Link, and \$13,829,844 for Other System Expansion; \$28,631,058 for Enhancement projects that improve rider experience, increase the existing system’s functionality, or reduce operating costs; \$31,471,783 for outlays for Rehabilitation and Replacement projects that extend the life of the existing transit system or replace system assets at the end of their useful life; \$4,500,779 in administrative projects, or such amounts as are contained in amendments to the 2013 Budget as adopted by the Board.

Section 1e – Reserves. Sound Transit is authorized to place in reserve \$49,839,155 for the Capital Replacement Fund and \$2,000,000 for the Emergency/Loss Fund.

Section 1f – Revenues. The Proposed 2013 Budget projects the collection of \$836,143,422 in total revenues including \$560,006,672 in Sales and Use Tax and \$70,160,259 in Motor Vehicle Excise Tax and Rental Car Tax, \$136,788,529 in federal grants, \$52,461,002 in farebox collections, \$5,648,701 in interest earnings and \$11,078,259 in miscellaneous revenues.

Section 2. The budget for the period January 1, 2013 to December 31, 2013 as set forth in Attachment A (Proposed 2013 Budget document) and the approved amendments to the Proposed 2013 Budget in Attachment B together constitute the Adopted 2013 Budget as adopted by this Resolution.

Section 3. The Adopted 2013 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 Adopted 2013 Budget document as necessary to uniformly present the information, and to revise the Adopted 2013 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 2013 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 2013 Budget to reflect actual expenditures for 2012, including shifting of budget authority between 2012 and 2013 for projects anticipated to be completed in 2013, provided the adopted total lifetime budget is not changed.

Section 7. The Proposed 2013 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 2013 Budget and the 2013 Transit Improvement Plan to the Sound Transit Board Chair to ensure any amendments are accurately reflected.

Section 9. The chief executive officer is directed to provide the Board with regular budget reports and such information as may be necessary to compare actual financial performance with the Adopted 2013 Budget and to ensure conformance with the Financial Policies.

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

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on December 20, 2012.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator

Approved Amendments

Amendments approved by the Capital Committee on November 8, 2012

Amendment	Amend the I-90 Two-Way Transit and HOV Operations Stage 1 budget to reflect the final costs of project close out.
Budget Impact	Decreases the annual budget by \$38,000 and increases the lifetime budget by \$64,000.

Project: 54382 - I-90 Two-way Transit & HOV, Stage 1

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 14	\$ (10)	\$ 4	\$ 1,347	\$ -	\$ 1,347
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ 1,592	\$ -	\$ 1,592
Final Design	\$ -	\$ -	\$ -	\$ 3,720	\$ -	\$ 3,720
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ 57	\$ -	\$ 57
Construction	\$ 56	\$ (28)	\$ 28	\$ 16,667	\$ 64	\$ 16,730
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 70	(38)	\$ 32	\$ 23,384	\$ 64	\$ 23,448

The project budget is being increased by \$64K from the proposed budget to reflect final costs to close out the project, this will reduce the project savings of \$1.4M that was proposed to be transferred to the East King County Program Reserve by that amount.

Amendment	Amend the I-90 Two-Way Transit and HOV Operations Stage 2 budget to reflect change orders to the project.
Budget Impact	Increases the annual budget by \$362,000 and increases the lifetime budget by \$535,000.

Project: 54386 - I-90 Two-way Transit & HOV, Stage 2

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 12	\$ 8	\$ 20	\$ 1,330	\$ -	\$ 1,330
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ 1,847	\$ -	\$ 1,847
Final Design	\$ -	\$ -	\$ -	\$ 2,026	\$ -	\$ 2,026
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 167	\$ 354	\$ 521	\$ 17,090	\$ 535	\$ 17,625
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 179	\$ 362	\$ 541	\$ 22,293	\$ 535	\$ 22,828

The project budget is being increased by \$535K from the proposed budget to reflect closeout of outstanding construction change orders and costs for plant establishment. This will reduce the project savings of \$9.4M that was to be transferred to the East King County Program Reserve to \$8.9M.

Amendment	Amend the East King County Program Reserve to offset increased spending to fund final costs for I-90 Two-way Transit & HOV Stages 1 & 2.
Budget Impact	Decreases the lifetime budget by \$599,000 from the level contained in the proposed budget.

Project: 54000 - East King County Program Reserve

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 26,360	\$ (599)	\$ 25,761
Total	\$ -	\$ -	\$ -	\$ 26,360	\$ (599)	\$ 25,761

Reductions in savings due to the amendments for I-90 Two-way Transit and HOV, Stages 1 and 2 will reduce the proposed savings deposited to the East King County Program Reserve from \$11.2M to \$10.6M.

Amendment approved by the Executive Committee on December 6, 2012

Amendment	Amend the Service Delivery budget for Sounder Commuter Rail to provide budgetary authority to fund added parking at the Edmonds Station.
Budget Impact	Increases the annual budget by \$155,400.

Amendment approved by the Board on December 20, 2012

Amendment	<p>Amend the Proposed 2013 Budget and other related text and tables to include funding to begin high-capacity transit planning studies in ST2 as approved by voters, and the next phase of high-capacity transit (HCT) system planning, referred to as ST3.</p> <p>The corridor planning studies will:</p> <ul style="list-style-type: none"> • Help narrow the range of alternatives in the corridors • Evaluate routes and station locations, inform local comprehensive planning • Prepare for formal environmental impact review and engineering • Include a preliminary environmental assessment • Position the Board to update the Long-Range Plan and establish priorities for the next phase of HCT system development • Partner with transportation agencies and communities for an integrated transportation solution and options within corridors
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	<p>The next phase of HCT Planning will be the framework for studying future expansion of the central Puget Sound regional transit system plans. During 2013, work will include updating the Long-Range Plan and supporting environmental documentation, and coordinating with the timing of the HCT Corridor Planning Studies.</p> <p>Funds budgeted through this amendment can only be used for HCT planning studies and the next phase of system planning.</p>
Budget Impact	<p>This amendment impacts two projects: HCT Corridor Planning Studies and ST3 Planning. The amendment increases the 2013 annual budget by a total of \$9,760,000 and decreases the lifetime budget by \$2,800,000.</p>

Project 1x902 - ST3 Planning

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 450	\$ 450	\$ 5,200	\$ -	\$ 5,200
Preliminary Engr / Environmental Document	\$ -	\$ 1,350	\$ 1,350	\$ 18,400	\$ -	\$ 18,400
Final Design	\$ -	\$ -	\$ -		\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ 4,000
ROW Acquisition and Permits	\$ -	\$ -	\$ -		\$ -	\$ -
Construction	\$ -	\$ -	\$ -		\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -		\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -		\$ -	\$ -
System Testing & Start-up	\$ -	\$ -	\$ -		\$ -	\$ -
Contingency	\$ -	\$ 200	\$ 200	\$ 2,600	\$ -	\$ 2,600
Total	\$ -	\$ 2,000	\$ 2,000	\$ 30,200	\$ -	\$ 30,200

Project 809102 - HCT Corridor Planning Studies

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 1,400	\$ 1,400	\$ 4,000	\$ (400)	\$ 3,600
Preliminary Engr / Environmental Document	\$ -	\$ 5,580	\$ 5,580	\$ 21,500	\$ (2,150)	\$ 19,350
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ 780	\$ 780	\$ 2,500	\$ (250)	\$ 2,250
Total	\$ -	\$ 7,760	\$ 7,760	\$ 28,000	\$ (2,800)	\$ 25,200

Attachment D**Administrative Adjustments approved by the Executive Committee on December 6, 2012**

Adjust certain projects within the agency project delivery program to shift dollars between years and phases, resulting in a change in proposed budget spending in 2013 and to reflect change in treatment of prior expenditures.

		Project	Annual	Lifetime
Expansion	Souder	Mukilteo Station – South Platform	(\$5.908 million)	No Change
		Tukwila Station	(\$4.071 million)	No Change
		D Street to M Street Track and Signal	(\$2.427 million)	No Change
		Reservation Junction	(\$1.215 million)	No Change
	ST Express	I-90 Two-Way Transit and HOV Operations Stage 3	\$2.536 million	No Change
	Link	Airport Link	\$0	\$4.124 million
		Northgate Link Extension	(\$19.436 million)	No Change
		University Link Extension	(\$30.812 million)	No Change
		Initial Segment	\$850 thousand	No Change
		South 200 th Link Extension	(\$14.502 million)	No Change
	Other	ST Art	\$350 thousand	No Change
		Research and Technology	\$393 thousand	No Change
Enhancement	Souder	Positive Train Control	(\$5.544 million)	No Change
	Link	LRV On-Board Energy System	(\$439 thousand)	No Change
	Other	TOD Planning	(\$200 thousand)	No Change
		TOD Property Disposition	\$65 Thousand	No Change
Repair & Replacement	Link	Beacon Avenue Paving Phase Level Adjustment – (Shift between phases)	\$0	No Change
Administrative	Other	Information Technology Program	\$550 Thousand	No Change

**System Expansion
Sounder (in 000's)**

Project: 31206 - Mukilteo Station, South Platform

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 399	\$ 3	\$ 402	\$ 1,128	\$ -	\$ 1,128
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ 256	\$ -	\$ 256	\$ 2,447	\$ -	\$ 2,447
Third Party	\$ 247	\$ -	\$ 247	\$ 247	\$ -	\$ 247
Row Acquisition and Permits	\$ 3,438	\$ (3,088)	\$ 350	\$ 3,588	\$ -	\$ 3,588
Construction	\$ 4,886	\$ (2,313)	\$ 2,572	\$ 9,040	\$ -	\$ 9,040
Construction Management	\$ 1,020	\$ (510)	\$ 510	\$ 1,863	\$ -	\$ 1,863
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 10,245	\$ (5,908)	\$ 4,338	\$ 18,313	\$ -	\$ 18,313

The 2013 annual budget has been updated to reflect current cash flow forecasts.

Project: 33236 - Tukwila Station

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 711	\$ (161)	\$ 550	\$ 2,973	\$ (200)	\$ 2,773
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,101	\$ -	\$ 1,101
Final Design	\$ 267	\$ (147)	\$ 120	\$ 4,325	\$ 400	\$ 4,724
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 137	\$ 13	\$ 150	\$ 11,209	\$ (200)	\$ 11,009
Construction	\$ 12,735	\$ (3,160)	\$ 9,575	\$ 24,280	\$ 1	\$ 24,281
Construction Management	\$ 1,255	\$ (615)	\$ 640	\$ 2,082	\$ (1)	\$ 2,081
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 15,106	\$ (4,071)	\$ 11,035	\$ 45,969	\$ (0)	\$ 45,969

The 2013 annual budget has been updated to reflect current cash flow forecasts.

Project: 35135 - D Street - M Street Track & Signal

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 735	\$ -	\$ 735	\$ 9,606	\$ -	\$ 9,606
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,734	\$ -	\$ 1,734
Final Design	\$ 161	\$ (61)	\$ 100	\$ 18,612	\$ -	\$ 18,612
Third Party	\$ 111	\$ (81)	\$ 30	\$ 846	\$ -	\$ 846
Row Acquisition and Permits	\$ 880	\$ (800)	\$ 80	\$ 43,629	\$ -	\$ 43,629
Construction	\$ 1,938	\$ (1,485)	\$ 452	\$ 71,682	\$ -	\$ 71,682
Construction Management	\$ 1,365	\$ -	\$ 1,365	\$ 6,218	\$ -	\$ 6,218
Vehicles	\$ -	\$ -	\$ -	\$ 8,953	\$ -	\$ 8,953
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 5,190	\$ (2,427)	\$ 2,763	\$ 161,281	\$ -	\$ 161,281

The 2013 annual budget has been updated to reflect current cash flow forecasts.

Project: 300021 - Reservation Junction Track & Signal

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 353	\$ (229)	\$ 124	\$ 353	\$ -	\$ 353
Preliminary Engr / Environmental Document	\$ 1,517	\$ (986)	\$ 531	\$ 1,517	\$ -	\$ 1,517
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,870	\$ (1,215)	\$ 655	\$ 1,870	\$ -	\$ 1,870

The 2013 annual budget has been updated to reflect current cash flow forecasts.

Rex (in 000's)

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

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 736	\$ 141	\$ 877	\$ 3,385	\$ -	\$ 3,385
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,549	\$ -	\$ 1,549
Final Design	\$ 9,250	\$ 2,395	\$ 11,645	\$ 23,000	\$ -	\$ 23,000
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 36,288	\$ -	\$ 36,288
Total	\$ 9,986	\$ 2,536	\$ 12,522	\$ 64,222	\$ -	\$ 64,222

The 2013 annual budget has been updated to reflect current cash flow forecasts.

Link Light Rail

Project: 400 Airport Link

\$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ 9,894	\$ -	\$ 9,894
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 3,666	\$ -	\$ 3,666
Final Design / Specifications	\$ -	\$ -	\$ -	\$ 15,794	\$ -	\$ 15,794
Third Party	\$ -	\$ -	\$ -	\$ 1,340	\$ -	\$ 1,340
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ 12,553	\$ 4,124	\$ 16,677
Construction	\$ -	\$ -	\$ -	\$ 184,268	\$ -	\$ 184,268
Construction Services	\$ -	\$ -	\$ -	\$ 14,929	\$ -	\$ 14,929
Vehicles	\$ -	\$ -	\$ -	\$ 14,539	\$ -	\$ 14,539
Testing and Start-up	\$ -	\$ -	\$ -	\$ 917	\$ -	\$ 917
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ 257,900	\$ 4,124	\$ 262,024

Amend the Airport Link Project Budget to correctly categorize property acquired, used, and held for resale to the City of SeaTac to a Project expense, as the City is no longer pursuing acquisition of this property.

Project: 100 Northgate Link Extension \$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 7,882	\$ (311)	\$ 7,571	\$ 149,500	\$ -	\$ 149,500
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 15,077	\$ -	\$ 15,077
Final Design / Specifications	\$ 18,773	\$ -	\$ 18,773	\$ 113,123	\$ -	\$ 113,123
Third Party	\$ 908	\$ -	\$ 908	\$ 11,000	\$ -	\$ 11,000
ROW Acquisition and Permits	\$ 39,860	\$ (12,531)	\$ 27,329	\$ 148,050	\$ -	\$ 148,050
Construction	\$ 30,846	\$ (6,594)	\$ 24,252	\$ 1,310,570	\$ -	\$ 1,310,570
Construction Services	\$ 5,012	\$ -	\$ 5,012	\$ 112,050	\$ -	\$ 112,050
Vehicles	\$ -	\$ -	\$ -	\$ 259,100	\$ -	\$ 259,100
Testing and Start-up	\$ -	\$ -	\$ -	\$ 12,930	\$ -	\$ 12,930
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 103,281	\$ (19,436)	\$ 83,845	\$ 2,131,400	\$ -	\$ 2,131,400

Note: The Northgate Link Extension project will be amended to decrease the 2013 annual budget cash flow by \$19.436 million to reflect current cash flow forecasts by phase, without affecting the lifetime budget.

Project: 200 University Link Extension \$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 12,052	\$ (1,245)	\$ 10,807	\$ 115,229	\$ -	\$ 115,229
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 24,261	\$ -	\$ 24,261
Final Design / Specifications	\$ 6,965	\$ (1,093)	\$ 5,873	\$ 87,633	\$ -	\$ 87,633
Third Party	\$ 1,329	\$ (500)	\$ 829	\$ 18,646	\$ -	\$ 18,646
ROW Acquisition and Permits	\$ 450	\$ -	\$ 450	\$ 152,332	\$ -	\$ 152,332
Construction	\$ 160,733	\$ (27,075)	\$ 133,659	\$ 1,148,783	\$ -	\$ 1,148,783
Construction Services	\$ 15,856	\$ (1,000)	\$ 14,856	\$ 95,814	\$ -	\$ 95,814
Vehicles	\$ 50	\$ 100	\$ 150	\$ 103,909	\$ -	\$ 103,909
Testing and Start-up	\$ 100	\$ -	\$ 100	\$ 9,400	\$ -	\$ 9,400
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 197,536	\$ (30,812)	\$ 166,724	\$ 1,756,007	\$ -	\$ 1,756,007

Note: The University Link Extension project will be amended to decrease the 2013 annual budget cash flow by \$30.812 million to reflect current cash flow forecasts by phase, without affecting the lifetime budget.

Project: 300 Initial Segment \$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 200	\$ 200	\$ 185,983	\$ -	\$ 185,983
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 33,269	\$ -	\$ 33,269
Final Design / Specifications	\$ -	\$ 10	\$ 10	\$ 144,057	\$ -	\$ 144,057
Third Party	\$ -	\$ -	\$ -	\$ 61,469	\$ -	\$ 61,469
ROW Acquisition and Permits	\$ -	\$ 2	\$ 2	\$ 206,229	\$ -	\$ 206,229
Construction	\$ -	\$ 618	\$ 618	\$ 1,213,458	\$ -	\$ 1,213,458
Construction Services	\$ -	\$ 20	\$ 20	\$ 102,725	\$ -	\$ 102,725
Vehicles	\$ -	\$ -	\$ -	\$ 131,803	\$ -	\$ 131,803
Testing and Start-up	\$ -	\$ -	\$ -	\$ 16,625	\$ -	\$ 16,625
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 850	\$ 850	\$ 2,095,618	\$ -	\$ 2,095,618

Note: The Initial Segment project will be amended to increase the 2013 annual budget cash flow by \$850 thousand to reflect current cash flow forecasts by phase, without affecting the lifetime budget.

Project: 420 S. 200th Link Extension \$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 3,126	\$ (245)	\$ 2,881	\$ 15,864	\$ -	\$ 15,864
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 5,702	\$ -	\$ 5,702
Final Design / Specifications	\$ 1,100	\$ 500	\$ 1,600	\$ 6,311	\$ 500	\$ 6,811
Third Party	\$ 2,321	\$ -	\$ 2,321	\$ 7,085	\$ -	\$ 7,085
ROW Acquisition and Permits	\$ 5,636	\$ 5,336	\$ 10,972	\$ 43,549	\$ -	\$ 43,549
Construction	\$ 70,396	\$ (19,793)	\$ 50,602	\$ 285,620	\$ (500)	\$ 285,120
Construction Services	\$ 4,075	\$ (300)	\$ 3,775	\$ 17,322	\$ -	\$ 17,322
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ 1,789	\$ -	\$ 1,789
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 86,654	\$ (14,502)	\$ 72,152	\$ 383,241	\$ -	\$ 383,241

Note: The S. 200th Link Extension project will be amended to decrease the 2013 annual budget cash flow by \$14.502 million to reflect current cash flow forecasts by phase. The lifetime budget will be amended to increase the Final Design phase by \$500.0 thousand to provide additional funding for roadwork design that is separate from the design-build contract and decrease the Construction phase by this amount.

Other

Project: 6*000 - Start

Subarea	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
1-Snohomish	163	0	163	4,828	0	4,828
2-North King	475	0	475	11,529	0	11,529
3-South King	393	0	393	9,312	0	9,312
4-East King	1,700	0	1,700	20,052	0	20,052
5-Pierce	145	350	495	3,547	0	3,547
Total	2,875	350	3,225	49,267	0	49,267

The 2013 annual budget has been updated to reflect current cash flow forecasts for D Street-M Street Art Projects in Pierce County.

Project: 5*410 - Research & Technology

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Capital Cost	\$ 4,048	\$ 393	\$ 4,441	\$ 11,350	\$ -	\$ 11,350
Operating Cost	\$ 725	\$ -	\$ 725	\$ 3,507	\$ -	\$ 3,507
Total	\$ 4,773	\$ 393	\$ 5,166	\$ 14,856	\$ -	\$ 14,856

The 2013 annual budget has been updated to reflect current cash flow forecasts which include moving part of the 2012 budget for Regional Data Services and Station

Enhancement

Project: 300011 - Positive Train Control

Phase	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 744	\$ (54)	\$ 690	\$ 2,238	\$ -	\$ 2,238
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ 2,141	\$ 2,743	\$ 4,884	\$ 5,139	\$ -	\$ 5,139
Third Party	\$ 3,515	\$ (2,465)	\$ 1,050	\$ 6,348	\$ -	\$ 6,348
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 9,196	\$ (5,788)	\$ 3,408	\$ 23,585	\$ -	\$ 23,585
Construction Management	\$ 580	\$ 20	\$ 600	\$ 1,915	\$ -	\$ 1,915
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 16,176	\$ (5,544)	\$ 10,632	\$ 39,225	\$ -	\$ 39,225

The 2013 annual budget has been updated to reflect current cash flow forecasts.

Project: 210 LRV On-Board Energy Storage

\$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 44	\$ (3)	\$ 41	\$ 60	\$ -	\$ 60
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ 73	\$ (63)	\$ 10	\$ 80	\$ (70)	\$ 10
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 1,443	\$ (373)	\$ 1,070	\$ 1,503	\$ 70	\$ 1,573
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,560	\$ (439)	\$ 1,121	\$ 1,643	\$ -	\$ 1,643

Note: The LRV On-Board Energy Storage project will be amended to decrease the 2013 annual budget cash flow by \$438.6 thousand to reflect current cash flow forecasts by phase. The lifetime budget will be amended to increase the Vehicles phase by \$70.0 thousand to provide additional contract funding and decrease the Final Design phase by this amount.

Project: 8X341A-TOD Property Disposition

Subarea	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
2-North King	225	65	290	5,601	0	5,601
Total	225	65	290	5,601	0	5,601

The 2013 annual budget has been updated to reflect current cash flow forecasts for Kremeworks, Capitol Hill, Orca and Othello TOD sites.

Project: 8X341B-TOD Planning

Subarea	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
2-North King	285	(200)	85	1,640	0	1,640
Total	285	(200)	85	1,640	0	1,640

The 2013 annual budget has been updated to reflect a reduced cash flow forecast. Work at the central locations such as Mount Baker Station, Mount Baker Triangle,

Repair & Replacement

Project: 360 Beacon Ave Paving

\$1000s

Phase	2013 Annual Budget			Lifetime Budget		
	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2013 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 210	\$ -	\$ 210	\$ 210	\$ -	\$ 210
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ 50	\$ 75	\$ 125	\$ 50	\$ 75	\$ 125
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 1,590	\$ (75)	\$ 1,515	\$ 1,590	\$ (75)	\$ 1,515
Construction Services	\$ 150	\$ -	\$ 150	\$ 150	\$ -	\$ 150
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ 2,000

Note: The Beacon Ave Paving project lifetime budget will be amended to increase the Final Design phase by \$75.0 thousand to provide funding for civil final design and decrease the Construction phase by this amount.

Administrative

Project: 0X0011-Information Technology Program

Capital Subarea	2013 Annual Budget			Lifetime Budget		
	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget	2013 Proposed Project Budget	Budget Transfer	Revised Project Budget
6-Systemwide	2,810	550	3,360	30,454	0	30,454
Total	2,810	550	3,360	30,454	0	30,454

The 2013 annual budget has been updated to reflect a reduced cash flow forecast for expenditures in 2012 for the asset management system.

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APPENDIX F

Sound Transit 2013 Scorecards

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2013 AGENCY SCORECARD

VISION STATEMENT

Easy connection...to more places...for more people.

MISSION STATEMENT

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

KEY OBJECTIVES

- *Increase ridership*
- *Deliver capital projects on time and within budget*
- *Reduce operating and capital costs*
- *Maintain nimble, efficient business process and systems*

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 using total cost of ownership.
3. Engage key stakeholders early in project development process and pursue strategies to fully fund all ST2 projects.
4. Initiate system-level planning with the goals of updating the ST Long-Range Plan to inform Board decisions on future system expansion priorities and possible ST3 System Plan development.

INITIATIVES

- Aggressively pursue alternate project delivery including public-private partnerships and innovative contracting.
- Develop Agency total cost of ownership policy.
- Enhance Value Engineering program.
- Fully implement TOD Policy and strategies adopted by the Board in 2012, including early planning process.
- Initiate high capacity transit corridor studies called for in ST2, with completion targets in 2014.
- Initiate the Long-Range Plan Update with targeted completion in 2014, to support development of the ST3 System Plan.

PERFORMANCE INDICATORS

- Construction contracts will be kept on or ahead of schedule (Schedule Performance Index [SP]) index of 0.95 or greater).
- 85% of Agency project milestones met.
- Construction contracts completed on or below budget (CPI of 1.0).
- Contingency expenditures not to exceed project progress. (Contingency Index 1.0 or greater).
- All projects meet Phase Gate requirements.
- Achieve cumulative Lost Time Injury rate for all capital projects in 2013 below the federal rate of 2.1.

SERVICE DELIVERY

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

PRIORITIES

1. Increase ridership.
2. Enhance operational cost efficiencies.
3. Improve regional transit integration.

INITIATIVES

- Begin operation of the first of four additional round trips for ST2 Sounder south service.
- Build and retain ridership by implementing strategies based on 2012 research results, including marketing, capital and service improvements, and leveraging industry best practices.
- Pursue service integration and service efficiencies among region's transit agencies.
- Fully implement the System Access Policy and initiate the related parking management projects, once adopted by the Board in early 2013.
- Identify strategies to increase Sounder North ridership.

PERFORMANCE INDICATORS

- Systemwide ridership at or above 28.3 million (excluding Paratransit)
- Achieve Agency fare box recovery targets*:
 - ST Express: 26.9%
 - Sounder: 23.0%
 - Link: 24.4%

*as adjusted for changes in NTD reporting basis
- Meet or exceed on-time performance and preventable accident objectives:
 - On-time performance:
 - ♦ ST Express bus: ≥ 85%
 - ♦ Sounder commuter rail: ≥ 95%
 - ♦ Tacoma Link: ≥ 98.5%
 - ♦ Central Link: ≥ 90%
 - Preventable accidents per 100k revenue miles:
 - ♦ ST Express: <0.8
 - ♦ Sounder: <1.0
 - ♦ Tacoma Link: <1.7
 - ♦ Central Link: <0.3
 - Customer complaints per 100,000 boardings all modes: ≤15.0
- 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 accordance with “state of good repair” standards.
2. Intensify cost containment focus throughout the Agency.
3. Maintain strong, long-term Agency financial condition.
4. Improve Agency emergency preparedness.

INITIATIVES

- Implement Enterprise Asset Management System for Central Link, Tacoma Link, and Sounder operations.
- Execute Agency Sustainability Plan and achieve milestones, including advancing total-cost of ownership approach.
- Pursue all opportunities for additional resources to offset recession, including working with stakeholders and Legislature to expand options for transit funding.
- Issue first of annual Financial Sustainability Report.
- Establish agencywide “lean/kaizan” process.
- Develop and execute plan for managing ST2 financial resources to control costs and maximize revenues to deliver as much of ST2 program as possible within severely constrained funding.
- Update Agency Emergency Management Plan and complete required training of all key personnel.

PERFORMANCE INDICATORS

- Unqualified financial audit opinion with no reportable conditions.
- Condition assessment of 3.5 or better on 95% of Agency assets.
- 85% of Sustainability Plan targets met.
- Adoption of updated Emergency Management Plan and completion of 80% of required training for key personnel.

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 employees 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

- Implement new health plan and develop an equitable and financially sustainable strategy to deliver ongoing, meaningful Health and Welfare benefits.
- Develop and implement Sound Transit University Program (STU) for all employees. Include as regular offerings:
 - Leadership Development Program (for upper management and their teams)
 - Management Development Program (for mid-management and their teams)
- Conduct review of all existing HR programs, policies, and procedures.
- Establish an Employee engagement and feedback program to increase organizational effectiveness and set the baseline for measuring organizational vibrancy.

PERFORMANCE INDICATORS

- Healthcare premium cost increases 2% below national trend with no substantial change in value of benefits and a smooth transition, if needed, to the new provider.
- At least 20% of Sound Transit 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.

2013 COMMUNICATIONS & EXTERNAL AFFAIRS SCORECARD

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 elected officials about the benefits for Sound Transit.

PROJECT DEVELOPMENT AND DELIVERY

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

PRIORITIES

1. Achieve ST2 federal funding assumption.
2. Achieve public policies that support Sound Transit's mission.

INITIATIVES

- Identify possible revenue tools for ST3 and explore inclusion of ST in statewide revenue package.
- Develop a partnership between CEA, DECM and PEPD to develop a strategic communications plan for TOD around present and future ST facilities, including the development of tools and information to assist local jurisdictions, developers and community leaders in planning for high capacity transit.

PERFORMANCE INDICATORS

- Receive FFGA payments
- Maintain eligibility of specific ST projects for New Starts grants
- Inclusion of ST in statewide revenue package

SERVICE DELIVERY**Provide safe, reliable, cost effective, attractive service to existing and new customers.****PRIORITIES**

1. Increase market share.

INITIATIVES

- Use research to increase ridership; increase the number of people aware of public transit as a viable commute option; and inform stakeholders (Elected Officials, Riders, Non-riders, Impacted Communities)
 - Continue to define market
 - Develop metrics
- Develop video campaign that demystifies transit.
- Focus grassroots outreach on rail modes in target corridors-Link, Sounder North, Sounder Tacoma-Lakewood
- Develop new fare media/programs to facilitate use of ORCA and transit services (e.g., day passes targeted to tourism.)
- Work with municipalities on zoning to support TOD

PERFORMANCE INDICATORS

- Increase market share by one percent by the end of fourth quarter.
- Launch video campaign by end of second quarter 2013.
- Identify and train 10-15 Sound Transit staff ambassadors.

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 community support for transit investments and services

INITIATIVES

- Implement the agency's standardized environmental and sustainability messaging

PERFORMANCE INDICATORS

- Maintain the agency's favorability rating within one to two percent of current rating (65 percent)
- Maintain customer satisfaction scores at or above the B+ range for all modes.
- 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

- Develop program to train staff as ambassadors from representing ST well to ability to help with outreach needs
- Policy development regarding use of staff for customer service activities
- Redesign agency Intranet site.

PERFORMANCE INDICATORS

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.

2013 DESIGN, ENGINEERING, AND CONSTRUCTION MANAGEMENT SCORECARD

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 approved schedules.
5. Plan for and appropriately address risks to successful project delivery.

INITIATIVES

- Identify and evaluate measures to enhance safe performance of capital projects.
- Develop and implement program to determine and regularly monitor and report on noncompliance to quality standards and incorporate resolution of noncompliance into lessons learned.
- Use the results of the internal audit in strengthening the value engineering program.
- Pursue alternative contracting strategies/project delivery methods in accordance with State requirements for the South, North, and East Link extensions.
- Fully implement earned value management system for on-going contracts for major projects.
- Collaborate with PEPD and Operations to develop and implement procedures for project transition from planning and preliminary engineering to design and construction to Operations

PERFORMANCE INDICATORS

- Each Agency construction manager receives a minimum of 8 hours of safety awareness training annually.
- Recordable Injury Rate (RIR) on construction projects is below the Washington and the national averages.
- 100% of construction projects have developed and implemented site-specific safety plans consistent with Sound Transit standards.
- Value of 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.
- Cost Performance Index (CPI) for major professional services contracts is maintained at 0.9 or greater.
- Construction progress is maintained on or ahead of schedule (Schedule Performance Index (SPI) index of 0.95 or greater).
- All projects maintain positive schedule float throughout the life of the project.
- Authorized contingency is drawn down in accordance with the rate work progresses (Maintain Contingency Index at 1.0 or greater).

SERVICE DELIVERY

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

PRIORITIES

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

INITIATIVES

- Serve as strategic resource in the development, review, and implementation of the total cost of ownership policy.

PERFORMANCE INDICATORS

- System Safety Program Plan for all projects.
- Implement a safety certification program for major capital projects.
- System Security and Emergency Preparedness Plan for all 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 small, 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

- Implement departmental sustainability targets.

PERFORMANCE INDICATORS

- Contract specific SM/WOB subcontracting goals for all contracts have been met.
- Cash flows on major capital projects within +/- 10% of forecasts.
- Project staff is at levels required for on-time project completion; DECM staff/consultant hours expended within +/- 10% of planned hours.
- Sound Transit Sustainability checklist used for major projects.
- Low impact development used for projects as appropriate.

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

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

INITIATIVES

PERFORMANCE INDICATORS

- 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.

2013 DIVERSITY PROGRAMS OFFICE SCORECARD

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 and DBE program).
2. Leverage new regulatory requirements to increase small business participation in the procurement of goods and services.

INITIATIVES

- Coordinate with Title VI intra-agency departmental teams to prepare and deliver Sound Transit's 2013 Title VI Program Update Submittal for FTA approval.
- Align Sound Transit's Small Business program with new Federal requirements in order to increase small business participation in the procurement of goods and services.

PERFORMANCE INDICATORS

- All programs are in compliance with regulatory requirements, due dates are met and applicable FTA approvals are received and up to date for 2013.
- All Sound Transit departments have established small business goals for goods and services and are following established policies that are monitored and tracked.

SERVICE DELIVERY**Provide safe, reliable, cost effective, attractive service to existing and new customers.****PRIORITIES**

1. Implement PLA Study recommendations and findings and apply lessons learned.

INITIATIVES

- Develop and execute strategic plan to implement PLA study recommendations and findings.

PERFORMANCE INDICATORS

- PLA Study findings, recommendations, and lessons learned are implemented.

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. Develop and deliver a comprehensive PLA curriculum for internal and external stakeholders.

INITIATIVES

- Collaborate with labor to develop and deliver a comprehensive PLA curriculum to all consultants and staff working on construction projects under PLA.
- Integrate PLA presentation into all DPO outreach events.

PERFORMANCE INDICATORS

- Comprehensive PLA curriculum is developed and delivered in collaboration with labor partners.
- PLA information is included in all construction related activities; all interested parties (stakeholders) are educated.

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 value diversity/inclusion.

INITIATIVES

- Diversity and inclusion training is designed and incorporated into Sound Transit employee orientation. [NEW]
- Agency wide diversity/inclusion training is developed and delivered to executive leadership team and senior management.

PERFORMANCE INDICATORS

- Sound Transit leadership and management receive Diversity/inclusion training; module is included in employee orientation.
- 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.

2013 FINANCE AND INFORMATION TECHNOLOGY SCORECARD

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

- Identify and pursue new funding sources: public private partnerships and alternative financing mechanisms.
- Maximize federal grant receipts:
 - Improve U-Link drawdowns.
 - Pursue TIFIA loan for East Link.

PERFORMANCE INDICATORS

- 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 risk finance and risk management strategies.

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

- Begin implementation of R&T Plan to provide best practice transit technology to customers.
- Evaluate budget and reporting structure for operations; implement improvements.

PERFORMANCE INDICATORS

- National Transit Database (NTD) reporting complete by April 30, 2013.
- 99.9% uptime for critical IT and fare collection systems.
- 100% of annual insurance policy renewals 30 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

- Implement FIT 2013 Sustainability Targets.
- Continue review and improvement of payment processes, including AP automation project.
- Implement, and support new Enterprise Asset Management System.
- Implement three-year document management plan.
- Implement 3 Year IT strategic plan, including development of IT management framework consistent with ITIL/COBIT standards.
- Implement new budget system.
- Procure multi-year policy insurance when economical.
- Issue first of annual Financial Sustainability Report.
- Establish agency-wide "lean/kaizen" process.
- Develop and execute plan for managing ST2 financial resources to control costs and maximize revenues to deliver as much of the ST2 program as possible within severely constrained funding.

PERFORMANCE INDICATORS

- Unqualified financial audit opinions with no reportable conditions/100%.
- IT security breaches/zero.
- Financial Plan developed by October 30, 2013.
- 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

1. Enhance employee productivity and develop backup for critical tasks.

INITIATIVES

N/A

PERFORMANCE INDICATORS

- 100% of employees have a professional development plan that includes opportunities for career development.
- 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.

2013 HUMAN RESOURCES SCORECARD

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)

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

- Continue to enhance the agency recruitment function and process to optimize candidate and hiring manager experience and shorten the recruitment cycle.
- Transition to electronic workflow, maximize NeoGov and E-1 capability to meet HR process automation needs, review SHRM and FTA "best practices" for applicant screening and record retention.
- 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.
- Optimize the delivery of all aspects of Total Rewards services and programs.

PERFORMANCE INDICATORS

- "Time to fill" open requisitions at 38 days.
- "Offer acceptance rate" – at 95%.
- Document HR recordkeeping practices.
- Establish a process for on-going "real time" review of diversity efforts. Automate AAP reporting and establish a process for measuring on-going progress towards AAP goals.
- Project management training offered on regular basis, with more emphasis on construction project management and high-level project management. New course offerings will be added in 2013 to meet these needs.
- New positions (outside the market update process) evaluated and priced within 30 days.
- All compensation and benefits changes processed in a timely and accurate manner.

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 HR Recordkeeping practices for compliance and establish "best practice" approach for recordkeeping and retention.

INITIATIVES

- Establish "best practice" approach for pension administration and oversight.
- Establish a process for periodic service provider review and benchmarking (benefits and pension).
- Optimize the value of the Benefit offerings by providing guidance to employees on how to best take advantage of their benefits.
- Explore all options for providing the same Benefits Programs value at a lower cost.

PERFORMANCE INDICATORS

- Complete a Due Diligence review of the Retirement program.
- Review and optimize reconciliation processes for all benefit programs:
 - Coverage verification completed for all ancillary lines of coverage, all discrepancies are resolved.
 - Retirement program operational oversight established.
- Complete an inventory of HR service agreements and establish a timeline for periodic review (and identify appropriate benchmarks).
- Healthcare education series developed to help employees maximize health benefits, become smarter consumers of healthcare, understand quality outcome measures, and know how to purchase highest quality healthcare at an optimal cost.
- Due diligence process completed for Unemployment Insurance and all other lines of coverage.

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

1. Continue to provide HR programs and solutions to attract, retain, engage, and motivate highly qualified talent to meet staff requirements for the agency.
2. Solidify human resource processes, policies, and procedures.

INITIATIVES

- Develop and implement Sound Transit University Program (STU) for all employees to maximize potential for individual and organizational success. Include as regular offerings: Leadership Development Program (for upper management and their teams) and Management Development Program (for mid-management and their teams).
- Develop an equitable and financially sustainable strategy to deliver a meaningful Total Compensation package to Sound Transit employees.
- Continue to review HR programs, policies, and procedures to ensure alignment with Business and employee needs and desired outcomes.
- Establish an Employee engagement and feedback program to increase organizational effectiveness and set the baseline for measuring organizational vibrancy.

PERFORMANCE INDICATORS

STU Initiative

- Complete Phase 2 of STU Program Development to include Management Development program and Leadership Development program.
- Create "onboarding phase II" learning opportunities based on job classifications.
- Deploy on-line Learning Management System.
- Continue developing relationships with local schools and identifying internship opportunities in line with agency mission.

Total Compensation/ Rewards:

- In collaboration with the Executive Leadership Team and Sound Transit employees, continue to monitor and refine the three-year strategy for Health and Welfare programs taking into consideration the impact of the Healthcare Reform.
- Support the work of the Wellness Committee.
- Complete contract negotiations for the Health and Welfare program for 2014 keeping the increases in costs 2% below national trend, with no substantial change in value of benefits and a smooth transition, if needed, to the new provider.
- Complete a review of benefits coordination between Sound Transit Retirement program and SSA.
- Complete the Annual Compensation market update for the agency.

HR Programs and Policy review

- Continue to review programs, policies, and procedures to identify opportunities to enhance job satisfaction and morale.
- Complete Performance Management system review and deploy appropriate training to ensure consistency.

Employee Engagement and Feedback Program

- Establish engagement program goals and infrastructure; conduct an RFP.
- Complete the survey with a target participation rate of 70% of employees.
- Establish a follow up process for reviewing feedback, identifying opportunities for improvement and taking steps to enhance organizational performance and increase employee satisfaction.

Ongoing measures (agencywide)

- At least 20% of Sound Transit 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.

2013 LEGAL DEPARTMENT SCORECARD

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

1. Provide timely legal advice to avoid project delays.

INITIATIVES

- Provide department-specific training and updates to legal requirements of policies and procedures to improve risk management.

PERFORMANCE INDICATORS

- 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 and risk management

INITIATIVES

- Provide department-specific training to improve risk management.
- Meet with all division managers at least once during the year to discuss the division's general legal needs.

PERFORMANCE INDICATORS

- 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

- Bring more legal work in-house. Evaluate implementation of alternative fee arrangements for outside counsel.
- Follow policy and procedures for repair costs related to damages caused by third party tortfeasors.
- Implement 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 nightly, unless otherwise directed by IT. Use less paper.

PERFORMANCE INDICATORS

- Maintain department/division spending within the approved 2012 staff/operating budget.
- 100% of public disclosure requests are responded to on time.
- Identify three or more legal matters that may warrant alternative fee arrangements and implement as appropriate.

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

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

INITIATIVES

- Provide professional growth opportunities for Legal Department employees. Ensure that legal department has adequate competencies and resources to staff agency's core legal matters.

PERFORMANCE INDICATORS

- 100% of employees have discussed a professional development plan with their manager that includes opportunities for career development.
- 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.
- Have an annual attorney retreat where anticipated legal needs are discussed and resources/competencies identified.

2013 OPERATIONS DEPARTMENT SCORECARD

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. Adopt a collaborative:
 - a. Capital project design and decision- making process
 - b. Plan development process that incorporates operations and maintenance requirements
 - c. Process to identify system assets to be operated and maintained
 - d. Requirement that O&M manuals/plans must be submitted
3. Minimize cost of operations

INITIATIVES

1. Review all capital project design plans to ensure operations and maintenance related issues are addressed.
2. Operations and maintenance plans are developed collaboratively for all capital projects.
3. Continue to work with PEPD and DECM on system extension and planning and design.
4. Refine the process to collaborate with PEPD and DECM on:
 - a. Capital project design and decision-making process.
 - b. Plan development process that incorporates operations and maintenance requirements and applicable agency sustainability goals.
 - c. Process to identify system assets to be operated and maintained.
 - d. Requirement that O&M manuals/plans must be submitted.
5. Support agency-wide efforts to establish options and alternative approaches to meet parking demand.

PERFORMANCE INDICATORS

- 100% of design plans are assessed, issues identified, and comments provided within prescribed timeframe.
- 100% of capital projects are collaboratively developed and designed with input and buy-in from key stakeholders including applicable agency sustainability goals.
- 100% of capital projects have O&M considerations and risks identified at each phase with O&M plans and agreements finalized prior to transition to Operations.
- Implement operational parking management tools as directed by the Board.

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

- Explore alternative service delivery models and finalize decision on moving towards a competitive procurement model for providing express bus and light rail service.
- Continue to work with PEPD on bus base alternatives.
- 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.
- Begin work on new bus service contracts consistent with outcome of bus base alternatives study/work.
- Develop bus-rail service integration plans with PEPD.
- University Link Service Implementation.

PERFORMANCE INDICATORS

- Adopt preventative maintenance procedures for all equipment.
- University Link bus-rail service integration plans refined and documented.
- Develop the estimated staffing plan and operations budget for the startup of University Link service.
- Achieve ridership growth/retention systemwide at or above 28.3 million:

- ST Express: 15.3 million	- Tacoma Link: 1.0 million
- Sounder: 2.7 million	- Central Link: 9.2 million
- Paratransit: 0.1 million	
- On-time performance:

- ST Express: ≥ 85%	- Tacoma Link: ≥ 98.5%
- Sounder: ≥ 95%	- Central Link: ≥ 90%

- Preventable accidents per 100k service miles:
 - ST Express: <0.8
 - Sounder: <1.0
 - Tacoma Link: <1.7
 - Central Link: <0.3
- Customer complaints per 100,000 boardings
 - ST Express: <15.0
 - Sounder: <15.0
 - Tacoma Link: <15.0
 - Central Link: <15.0
- Percent of scheduled trips operated:
 - ST Express: 99.8%
 - Sounder: 99.5%
 - Tacoma Link: 98.5%
 - Central Link: 98.5%
- Vehicle availability:
 - ST Express: 80%
 - Sounder: 82%
 - Tacoma Link: 66.7%
 - Central Link: 86%
- 85% of facilities inspected per scheduled work plan maintained by the Facilities Division.
- Maintain annual customer satisfaction rating greater than 3.5 on 4-point scale.

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. Operate services and maintain assets effectively.

INITIATIVES

- Perform preventative maintenance to maximize the life cycle of facilities and equipment and minimize maintenance cost utilizing available sustainability alternatives.
- Efficiently and effectively use resources to control costs and manage service levels.
- Complete development of an EAMS for Central Link, Tacoma Link, and Facilities.
- Select utility management recommendations for implementation.

PERFORMANCE INDICATORS

- Transit services that meet efficiency criteria defined in the Service Standards and Performance Measure guidelines.
- Meet agency 2013 budget target for cost per boarding as follows:

- ST Express: \$7.17	- Tacoma Link: \$4.29
- Sounder: \$14.28	- Central Link: \$6.08
- Achieve agency 2013 farebox recovery targets:

- ST Express: 26.9%	- Tacoma Link: N/A
- Sounder: 23.0%	- Central Link: 24.4%
- Meet agency 2013 budget target for cost per revenue vehicle hour as follows:

- ST Express: \$195	- Tacoma Link: \$446
- Sounder: \$863	- Central Link: \$424
- Maintain department/division spending within the approved 2013 staff/operating budget.
- Complete database development and begin use of EAMS for Central Link, Tacoma Link, and Facilities.

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

1. Increase transit industry knowledge for employees.

INITIATIVES

- Sponsor industry-specific training opportunities, e.g. Transportation Safety Institute (TSI) and National Transit Institute (NTI) training.

PERFORMANCE INDICATORS

- 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.

2013 PLANNING, ENVIRONMENT, AND PROJECT DEVELOPMENT

MISSION STATEMENT

The Planning, Environment, and Project Developm department plans, develops, and designs regional transit project 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. Enhance inter-departmental coordination.
3. Respond effectively to Board-level interest in TOD, parking management & policy, and long range planning issues.
4. Ensure compliance with environmental processes and requirements.
5. Submit the Lynnwood Link Extension New Starts PE Application to FTA as the first step towards securing a Full Funding Grant Agreement..
6. Initiate system-level planning with the goals of updating the ST Long-Range Plan to inform Board decisions on future system expansion priorities and possible ST3 System Plan development.

INITIATIVES

- Collaborate with DECM and Operations to develop and implement procedures for project transition from project development to design, construction to operations.
- Develop policy to ensure collaborative decision-making for implementing innovative/green designs and procurements.
- Fully implement the Parking & Access Policy and management strategies adopted by the ST Board in 2012, including incorporation of Sustainability elements.
- Initiate high-capacity transit corridor studies called for in ST2, with completion targets in 2014.
- Initiate the Long-Range Plan Update with targeted completion in 2014, to support development of the ST3 System Plan.

PERFORMANCE INDICATORS

- 100% of 2013 Work Plan goals are met.
- Necessary environmental clearances obtained for all projects.
- No permit violations during construction that impact the environment.
- Capacity of Sound Transit access systems and facilities increase.
- Non-SOV access mode share increases.

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

- Fully implement the TOD Policy and strategies adopted by the ST Board in 2012, including the early planning processes and incorporation of Sustainability elements.
- Implement Board policy on concessions and incidental use of ST facilities.
- Continue to partner with Operations on bus-rail service integration plans.

PERFORMANCE INDICATORS

- Increased number of vendors/concessionaires active on Sound Transit facilities.
- University Link bus rail service integration plans refined and documented.
- Form partnerships to create exemplary TOD and joint development with appropriate surplus parcels.
- PSRC Sustainable Communities initiative factors Sound Transit project development decisions into their Growing Transit Communities initiatives. Increase efforts to re-develop surplus parcels for TOD and/or joint development
- Incorporate TOD planning earlier in the project development process.

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.
3. Ensure affordability of ST capital program through project development strategies.

INITIATIVES

- Develop agency total cost of ownership policy and methods.

PERFORMANCE INDICATORS

- 85% of Annual Sustainability Targets met.
- TCO Guidance established

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

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

INITIATIVES

- Obtain additional training in negotiations for PEPD staff and managers who frequently negotiate with other agencies, partners and/or contractors. Training to include how to identify Sound Transit's objectives and protect Sound Transit's legitimate interests while treating other parties fairly.

PERFORMANCE INDICATORS

- 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.
- 50% of PEPD senior staff and managers have received negotiations training.

2013 PROCUREMENT AND CONTRACTS DIVISION SCORECARD

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. Timely closeout of contracts.

INITIATIVES

- Continuous cross-functional process improvement to respond to customer goals and expectations while providing exceptional procurement services.
 - Improve requisition & PO entry module in order to simplify PO creation.
 - Improve A&E invoice process.
- Develop Procurement Guide(s) for internal customers and provide training.

PERFORMANCE INDICATORS

- 75% Micro and Small Purchase PO's (below \$100k) issued within 30 days of receipt of requisition.
- 75% formal contracts (over \$100k) executed within 180 days of receipt of requisition.
- 75% change orders issued within 60 days of receipt of Request for Change.
- 75% contract closeout processed within 90 days from date of final acceptance.
- Conduct bi-annual internal customer outreach to provide training or address concerns and questions.
- Conduct or participate in five Business Outreach contracting events to promote opportunities with Sound Transit.
- Conduct or participate in 1-2 Process Improvement exercises, annually.

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 transparency in procurement policies and actions.
2. Increase transaction automation.
3. Ensure contract language supports Sound Transit sustainability initiatives.
4. Ensure compliance to rules and regulations in pre and post contract award actions thru early involvement of the Procurement and Contracts division staff.

INITIATIVES

- Implement innovative ways to Increase use of P-Card.
- Enhance E1 and Ebid.

PERFORMANCE INDICATORS

- 5% increase in number of P-Card transactions.
- 2. Meet Sound Transit sustainability targets as they relate to Procurement and Contracts.
- Negligible audit findings.

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

1. Ensure availability of tactical and strategic skills in our team.

INITIATIVES

- Perform team building exercises.

PERFORMANCE INDICATORS

- 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.

2013 SECURITY DIVISION SCORECARD

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

N/A

PERFORMANCE INDICATORS

- 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

- Procure and install E-ticket fare enforcement system.

PERFORMANCE INDICATORS

- Decrease in serious security incidents. (Baseline to be established in 2012).
- Receive a grade of 3.5 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

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

INITIATIVES

N/A

PERFORMANCE INDICATORS

- 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.

PRIORITIES

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

INITIATIVES

- Obtain additional training in negotiations for PEPD staff and managers who frequently negotiate with other agencies, partners, and/or contractors. Training to include how to identify Sound Transit's objectives and protect Sound Transit's legitimate interests while treating other parties fairly.

PERFORMANCE INDICATORS

- 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.

2013 SAFETY & QUALITY ASSURANCE SCORECARD

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 & Quality Assurance goals to consultants, contractors, and outside government agencies.
2. Integrate Safety & Quality Assurance programs into the project management processes for design and construction to develop a Safety Culture and to strive for better than average quality and safety that consistently exceeds the minimum standards.

INITIATIVES

- N/A

PERFORMANCE INDICATORS

- Maintain Sound Transit recordable injury rate of one-half the state industry average.
- Assure 100% contractor compliance with Safety and Quality plan and documentation submittal requirements.
- Achieve 100% approval of Contractor corrective action responses for Safety and Quality audit and surveillance findings within 14 days of issuance.
- Achieve 100% close out of Safety and Quality Audit and Surveillance Findings within 90 days of issuance.
- Achieve cumulative Lost Time Injury rate for all capital projects in 2013 below the federal rate of 2.1.

SERVICE DELIVERY**Provide safe, reliable, cost effective, attractive service to existing and new customers.****PRIORITIES**

1. Increase worksite safety awareness.
2. Conduct quality and safety audits, surveillances, and inspections to assess the performance and service delivery of the agency.

INITIATIVES

- N/A

PERFORMANCE INDICATORS

- Perform 90% of all Quality Assurance 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. **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 report compliance of design and construction.
3. Improve Agency emergency preparedness.

INITIATIVES

- Electronic Safety Incident Tracking, Management, and Reporting System.
- Update Agency Emergency Management Plan and complete required training of all key personnel.

PERFORMANCE INDICATORS

- 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 meeting which result in 100% closeout of identified deficiencies.
- Adoption of updated Emergency Management Plan and completion of 80% of required training for key personnel.

ORGANIZATIONAL VIBRANCY

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

PRIORITIES

1. Provide training to supervisors/managers on employee development and performance planning.
2. Provide a safe work environment.

INITIATIVES

- N/A

PERFORMANCE INDICATORS

- 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.

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APPENDIX G

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 H

List of Charts, Maps, and Tables

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List of Charts, Maps, and Tables

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¹ Communications and External Affairs

² Design, Engineering, and Construction Management

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³ Planning, Environment, and Project Development

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APPENDIX I

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

GFOA – Government Finance Officers Association

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

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

STart – Sound Transit Art Program – Public Art

STU – Sound Transit University Program

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

TCO – Total Cost of Ownership

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