



2013 Second Quarter Financial Performance Report



September 2013
Revised September 25, 2013

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To: Board of Directors

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

Subject: 2013 Second Quarter Financial Performance Report

This report summarizes Sound Transit's financial performance for revenues, transit operations, capital outlays, and staff operations for second quarter of 2013. The discussion and graphs below summarize the budget and financial results, followed by more detailed financial data with notes assessing the Agency's performance to budget.

Section I – Executive Summary

Agency Revenues: Total 2Q revenue \$2.2M or 1% above budget. Specific highlights: sales tax \$6.8M or 3% above budget, passenger fares \$2.5M or 10% above budget and Federal Grants \$2.7M or 4% below budget.

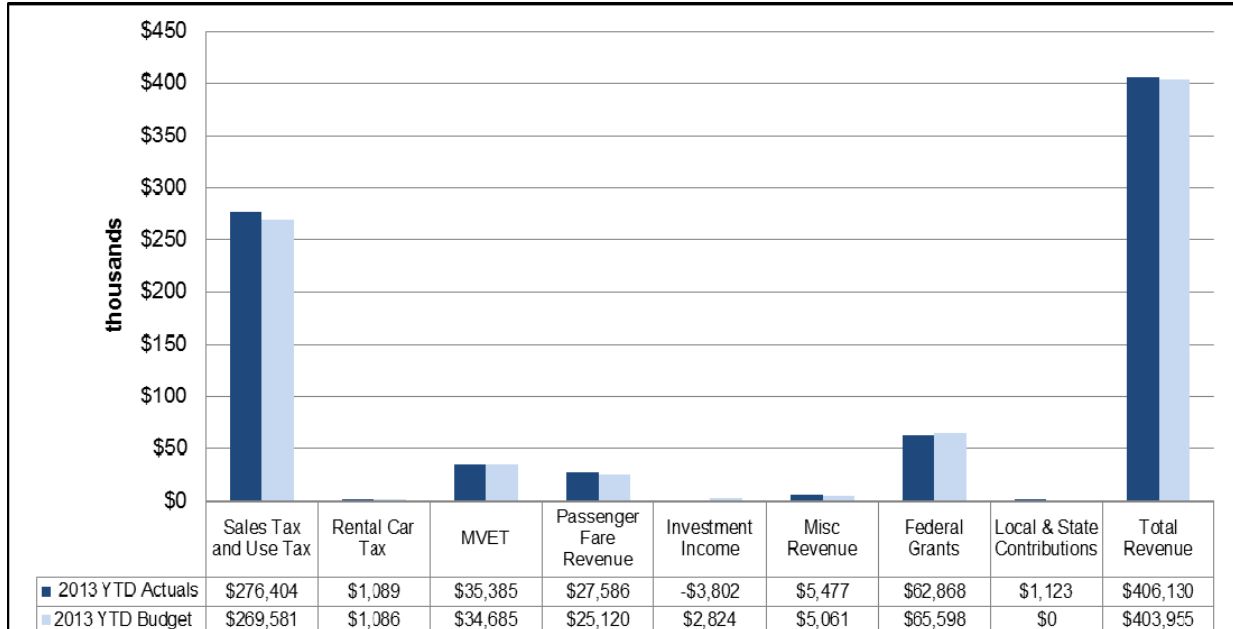
Service Delivery Expenditures: \$6.0M or 6% below budget – all modes running below budget.

Capital Projects: just \$1.6M below or 1% below budget.

Department Costs: \$3.8M or 8% under budget – all operating departments except non-departmental under budget through two quarters.

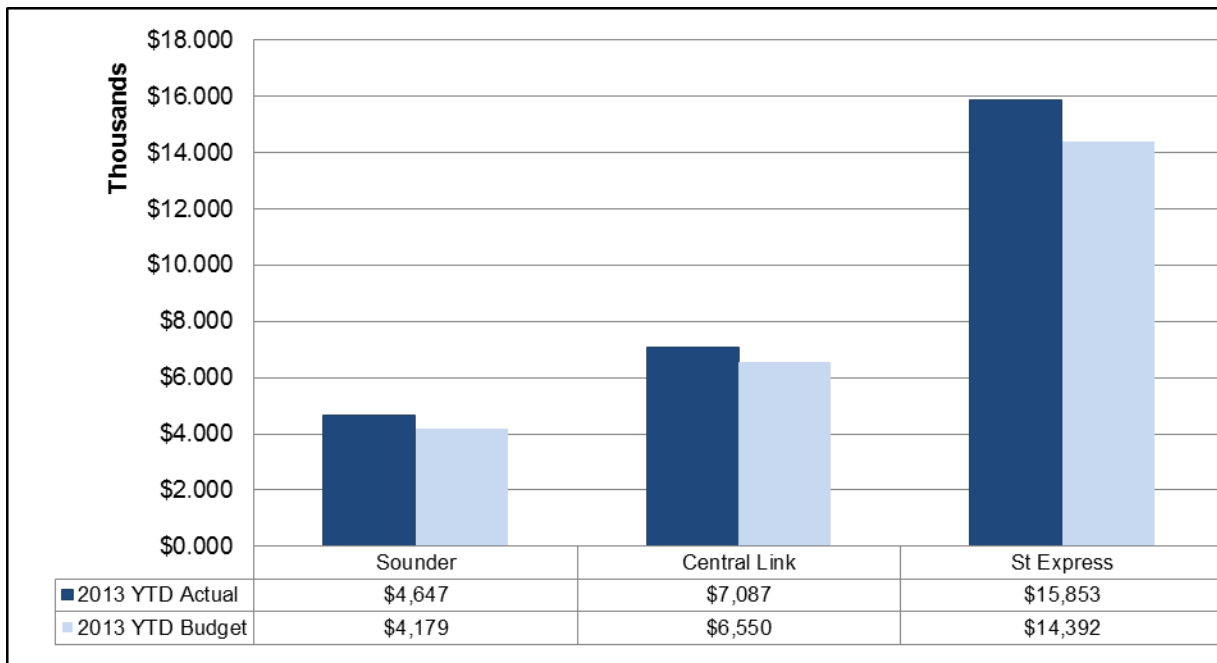
Detailed analysis for each is located later in this report.

Agency Revenues



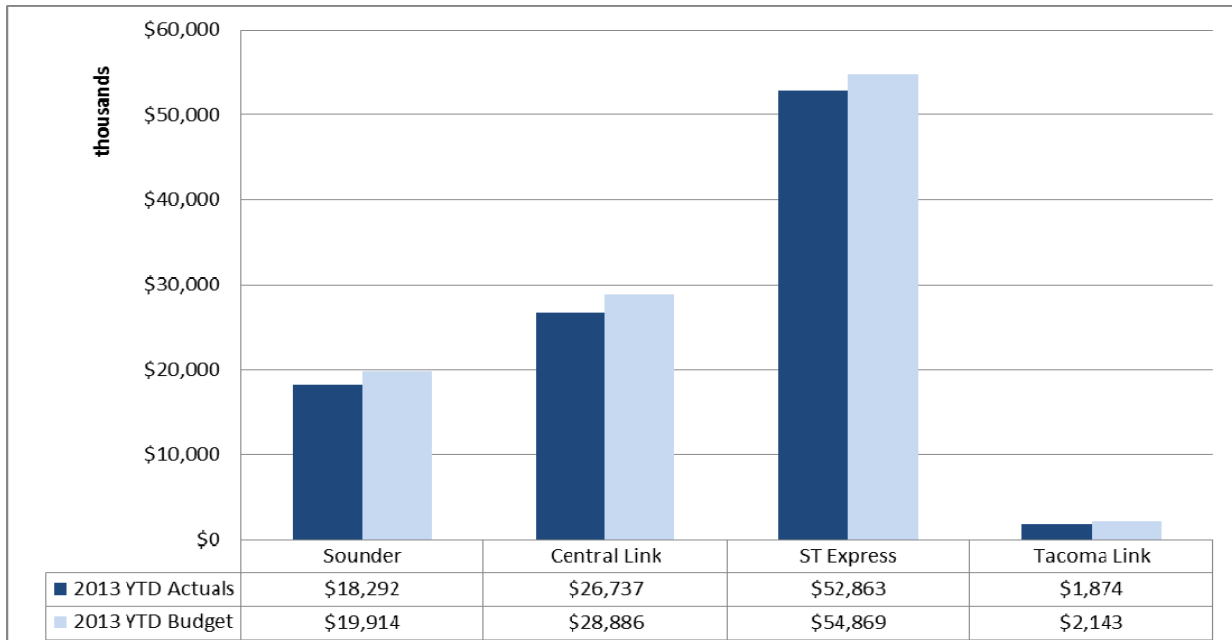
- All tax related revenues are above budget: sales tax 3%; rental car 0.3%, MVET 2%.
- Passenger fare revenue above budget by \$2.5M or 10%.
- Federal Grant Revenue is less than budget by \$2.7M or 4%.
- Investment Income \$6.6M below budget.

Passenger Fare Revenue by Mode (Excludes Tacoma Link)



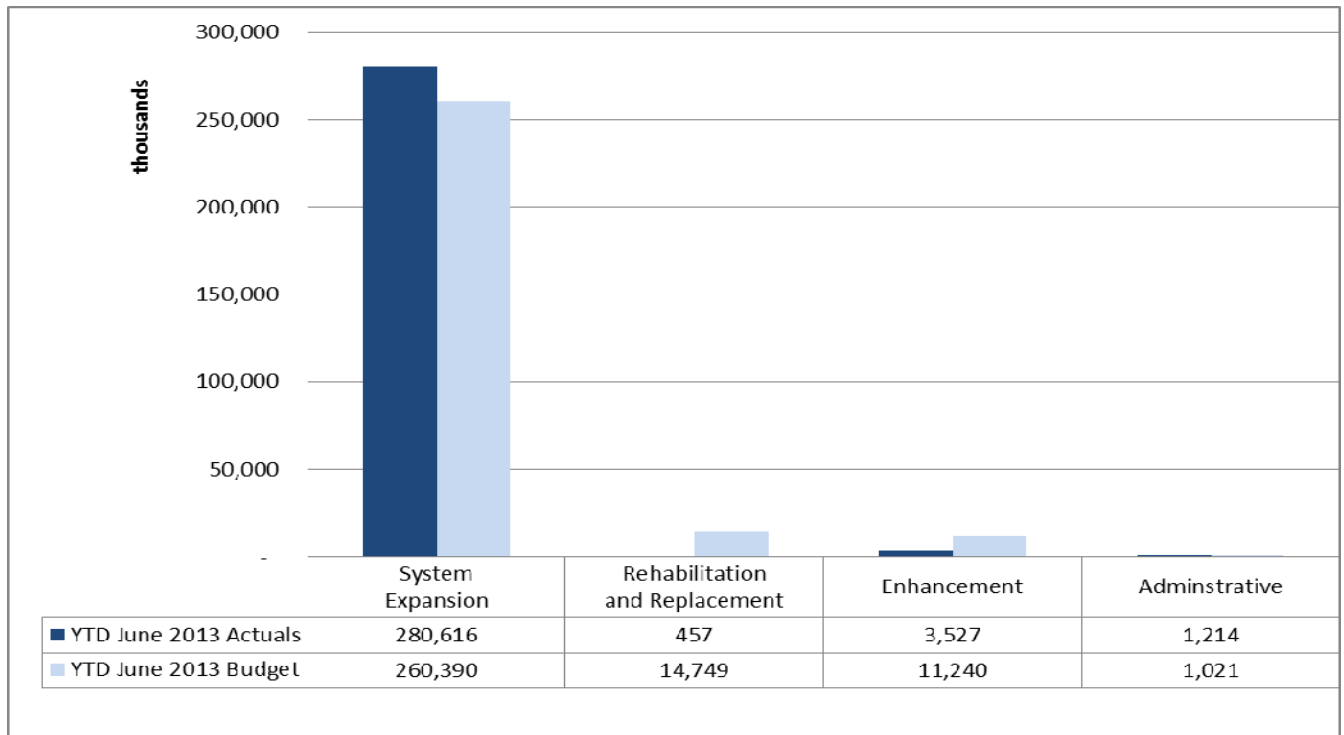
- Fare Revenue better than budget by 2.5M or 10%.
- Compared to 2012 fare revenue is up by \$2.4M or 10%.
- Boardings for 2Q increased for all three modes by 539K or 8% compared to 2012: ST Express up by 286K or 7%; Sounder up by 43K or 6%, and Central Link up by 219K or 10%.

Service Delivery Expenditures by Mode



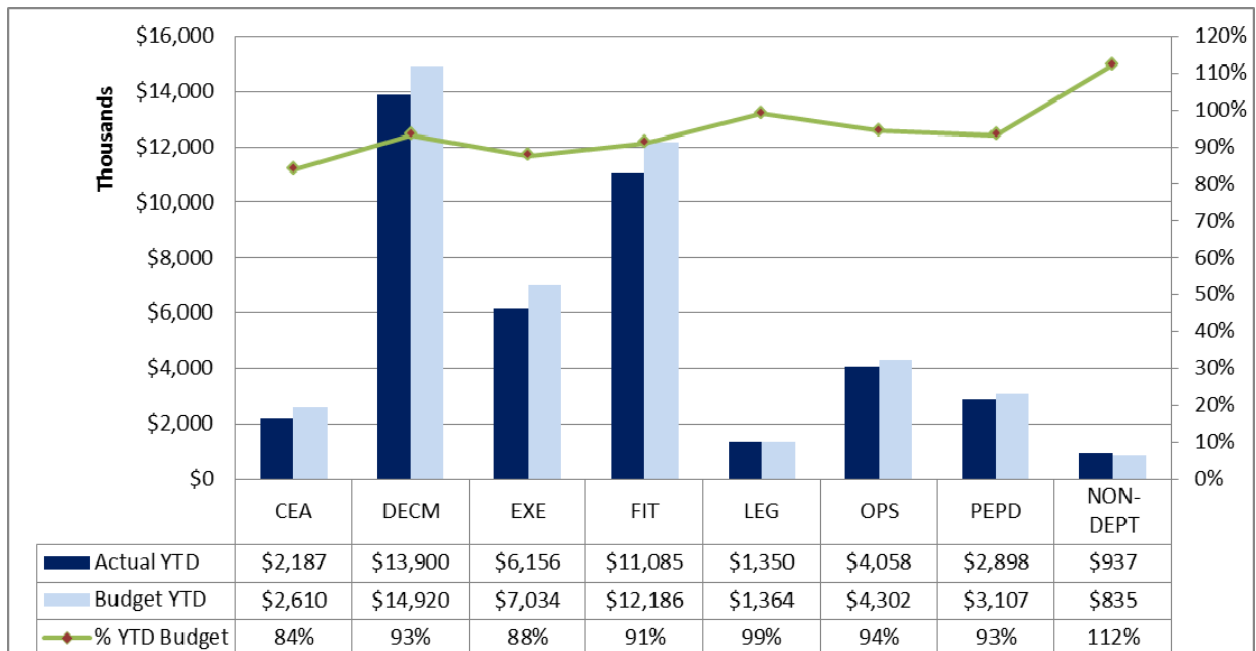
- Service delivery costs under budget by \$6M or 6%. All modes are running below budgeted levels.

Capital Projects



➤ Overall capital project costs are under budget by \$1.6M or 1%.

Department Costs



- Overall Agency Staff Costs are under budget by \$3.8M or 8%.
- Service related costs are under budget by \$2.4M or 33%.
- Salary and Benefits costs are under budget by \$653K or 2%.

Section II – Agency Revenue

Agency Revenues as of June 30, 2013

(\$Thousands)

Revenue Source	1Q Actuals	2Q Actuals	2013 YTD Actuals	2013 YTD Budget	2013 Actuals v. Budget	% Variance
Sales Tax and Use Tax	\$131,976	\$144,428	\$276,404	\$269,581	\$6,823	103%
Rental Car Tax	\$503	\$586	\$1,089	\$1,086	\$3	100%
MVET	\$16,345	\$19,040	\$35,385	\$34,685	\$700	102%
Passenger Fare Revenue	\$13,082	\$14,504	\$27,586	\$25,120	\$2,466	110%
Investment Income	\$1,470	-\$5,272	-\$3,802	\$2,824	(\$6,626)	-135%
Misc Revenue	\$4,305	\$1,172	\$5,477	\$5,061	\$416	108%
Federal Grants	\$21,417	\$41,451	\$62,868	\$65,598	(\$2,730)	96%
Local & State Contributions	\$723	\$400	\$1,123	\$0	\$1,123	0%
Total Revenue	\$189,821	\$216,309	\$406,130	\$403,955	\$2,175	101%

Overall revenues of \$406.1M were above budget by \$2.2M or 1% primarily due to higher than budgeted tax revenues, passenger fares, and local & state contributions. These positive budget variances offset lower than budgeted federal grant revenues and investment income.

Retail Sales and Use Tax revenues were \$6.8M or 3% above budget at the end of Q2 reflecting an improving local economy. Compared to 2012 sales tax revenue up by \$19.3M or 7.5%

Rental Car Tax revenues were just above YTD budget by \$3K or 0%.

Motor Vehicle Excise revenues were above budget by \$700K or 2% at the end of Q2.

Passenger Fare Revenue was \$2.5 million or 10% above budget due to increased ridership. Central link ridership exceeded projections by 4% which generated \$538 thousand more revenue than planned. ST Express ridership was 9% better than expected which generated \$1.5 million more in revenue than planned. Sounder ridership exceeded projections by 15% which generated \$468 thousand more revenue than planned.

Investment Income was \$6.6M below budget at the end of Q2. Under Generally Accepted Accounting Principles, the value of investment holdings must be adjusted to current market value for financial statement purposes. This requirement results in investment income being reduced when the market value of investment declines (when interest rates rise). Investment income is increased when the market value of investments rises (interest rates decline). Over the second quarter, interest rates rose dramatically, resulting in the recording of \$7.8M unrealized losses which was recorded against investment income. Without the mark to market entries, investment income is \$1.2M or 44.2% above budget.

Miscellaneous Revenues exceeded budget by \$416K or 8% primarily due to the receipt of extraordinary special item revenue of \$300K from the sale of heavy equipment, as well as higher than budgeted advertising revenues of \$179K.

Federal Grant revenues trailed YTD budget by \$2.7M or 4% primarily due to lower draw-downs from construction costs of So. 200th St. Ext. project and from construction costs of Mukilteo SCR South Platform project.

Local & State Contributions exceeded budget by \$1.1M due to the receipt of a DOE grant of \$0.4M for Sounder wayside power installation at Lakewood Layover and a \$0.6M operating grant from WSDOT for Sounder operations. These grants were not budgeted for in 2013.

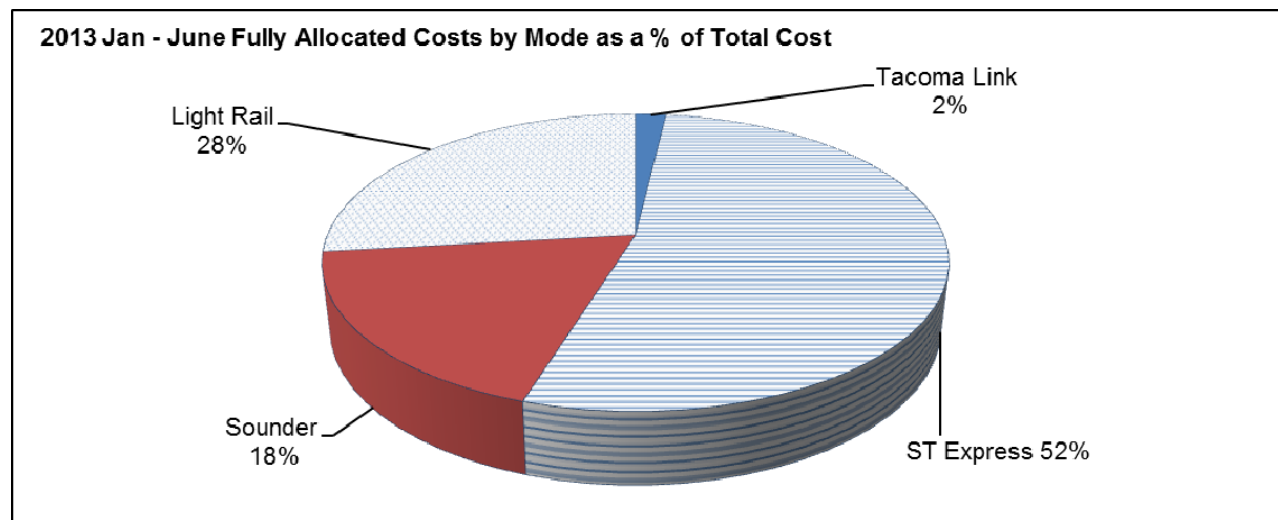
Section III – Service Delivery by Mode

Service Delivery All Modes as of June 30, 2013

(\$Thousands)

	Q1 2013 Actuals	Q2 2013 Actuals	2013 YTD Actuals	2013 YTD Budget	2013 YTD Budget Remaining	2013 % of Budget
Operating Revenues						
Passenger Fares	13,082	14,504	27,586	25,121	(2,465)	110%
Other Operating Revenue	450	867	1,317	839	(478)	157%
Total Operating Revenues	\$13,532	\$15,371	\$28,903	\$25,960	(\$2,943)	111%
Direct Operating Expenses						
Salaries and Benefits	1,096	1,083	2,179	2,479	300	88%
Services	8,132	9,409	17,541	19,259	1,718	91%
Materials and Supplies	2,372	1,622	3,994	4,581	587	87%
Insurance	561	(468)	93	1,464	1,371	6%
Purchased Transportation Svcs	31,518	31,922	63,440	65,275	1,835	97%
Miscellaneous Expenses	11	78	89	395	306	22%
Leases & Rentals	1,785	1,608	3,393	2,929	(464)	116%
Other Expenses	1,314	1,247	2,561	2,625	64	98%
Total Direct Operating Expenses	46,790	46,500	93,290	99,007	5,717	94%
Agency Admin Allocations	3,064	3,414	6,478	6,805	327	95%
Fully Allocated Operating Expenses	49,854	49,914	99,767	105,812	6,045	94%

Total service delivery fully allocated operating expenses for second quarter 2013 are \$99.8M which is \$6M or 6% under budget. All modes are running below budget through second quarter. Specific by mode financial review follows this page. As highlighted in the chart below, ST Express accounts for 52% of all service delivery operational costs; the other modes are Light Rail with 28% of total operating expenditures; Sounder with 18% of operating expenditures, and Tacoma Link with 2%.



Sounder Commuter Rail as of June 30, 2013

(\$Thousands)

	Q1 2013 Actuals	Q2 2013 Actuals	2013 YTD Actuals	Q2 2013 Budget	2013 Budget Remaining	2013 Q2 % Budget
Operating Revenues						
Passenger Fares	2,319	2,328	4,647	4,179	(468)	111%
Other Operating Revenue	127	450	577	272	(305)	212%
Total Operating Revenues	\$ 2,446	\$ 2,778	\$ 5,224	\$ 4,451	\$ (773)	117%
Direct Operating Expenses						
Salaries and Benefits	235	197	432	528	96	82%
Services	3,506	3,790	7,296	7,976	680	91%
Materials and Supplies	1,772	1,266	3,038	3,399	361	89%
Insurance	150	187	337	415	78	81%
Purchased Transportation Svcs	2,134	2,261	4,395	4,593	198	96%
Miscellaneous Expenses	8	21	29	121	92	24%
Leases & Rentals	169	111	280	237	(43)	118%
Other Expenses	420	493	913	990	77	92%
Total Direct Operating Expenses	\$ 8,395	\$ 8,324	\$ 16,720	\$ 18,259	\$ 1,539	92%
Agency Admin Allocations	732	840	1,572	1,655	82	95%
Fully Allocated Operating Expenses	\$ 9,128	\$ 9,164	\$ 18,292	19,914	1,621	92%

Revenues and Ridership: Passenger revenues were over the YTD 2013 budget by 11%. Ridership was over budgeted levels by 15% and was above the prior year by 9%. Average fare per boarding was 4% below the budgeted level. Other operating revenues are 212% of the YTD budget due to reimbursements from WSDOT for flagging costs related to State Route 16 construction. These revenue increases are offset by higher than planned costs in maintenance of way costs described below.

Services were at 91% of the YTD 2013 budget. The largest individual component of services spending is the vehicle maintenance contract with Amtrak, which is at 93% of the budget. Lower spending is due to the delay of some maintenance work as the Sounder team is working with consultants on finalizing the Sounder fleet overhaul plan. Spending is expected to increase in the 2nd half of the year. In addition, Amtrak billing rates were lower than budget due to lower inflation. Maintenance of way expenses were above the budget by \$275K due to extra work to fixing a crossing that was damaged by a semi-trailer and flagging related to State Route 16 construction. The latter is being reimbursed by WSDOT and is recorded in other operating revenues as described above in the revenue section.

Materials & Supplies were under the YTD 2013 budget by 11%. Underspending was primarily driven by lower than budgeted fuel consumptions due in part to trips that were annulled during the first quarter impacted by mudslide. Purchase of spare parts was also low due to delay of maintenance work pending on the completion of Sounder fleet overhaul plan.

Purchased Transportation Services were at 96% of the YTD 2013 budget. In Q1, sixty trips in North were cancelled due to mudslide, resulting into some cost savings. In addition, spending for special events will be back loaded in the second half of 2013 due to Seahawks and Sounders games later in the year.

Leases and Rentals were over the YTD 2013 budget by \$43K due to a timing difference on a payment for leased parking in Tukwila. Expenses in this category are expected to be at the budgeted level at year end.

Agency Allocations were at 95% of the 2013 budget. This account includes the staff operating costs allocated from both corporate and line of business departments, as well as previously unallocated expenses for Leased Office Space and Internal Audit as a result of the Agency switching to a fully allocated model. Agency spending had been under budget overall in the second quarter, resulting in a smaller amount of allocated costs to Service Delivery than was budgeted.

ST Express as of June 30, 2013

(\$Thousands)

	Q1 2013 Actuals	Q2 2013 Actuals	2013 YTD Actuals	2013 YTD Budget	2013 Budget Remaining	2013 Q2 % Budget
Operating Revenues						
Passenger Fares	7,583	8,270	15,853	14,392	(1,461)	110.2%
Other Operating Revenue	288	358	646	507	(139)	127.4%
Total Operating Revenues	\$ 7,871	\$ 8,628	\$ 16,499	\$ 14,899	\$ 1,600	110.7%
Direct Operating Expenses						
Salaries and Benefits	97	96	193	189	(4)	102.1%
Services	1,256	1,841	3,097	3,684	587	84.1%
Materials and Supplies	16	16	32	37	5	86.5%
Insurance	5	5	10	10	-	100.0%
Purchased Transportation Svcs	23,718	21,320	45,038	46,408	1,370	97.0%
Miscellaneous Expenses	0	16	16	85	69	19.3%
Leases & Rentals	695	646	1,341	1,200	(141)	111.8%
Other Expenses	234	240	474	460	(14)	103.0%
Total Direct Operating Expenses	\$ 26,022	\$ 24,180	50,201	52,073	1,872	96.4%
Agency Admin Allocations	1,262	1,400	2,662	2,796	(134)	95.2%
Fully Allocated Operating Expenses	\$ 27,284	\$ 25,579	52,863	54,869	2,006	96.3%

Revenues and Ridership: Passenger Fares were over the YTD 2013 Budget by 10%. Ridership is above the 2013 budget by 9%, and average fare per boarding is right on target.

Services were under the YTD 2013 budget by \$587K, or 16%. The largest variance was underspending of \$215K related to the Fare Collection costs due to incorrect allocation rules being applied. Accounting will make the correction and this line item will be in line with 2013 budgeted level. Facilities Maintenance was under the budget by \$199K as major maintenance projects have just begun in Q2 and provisions for on-call maintenance have not been necessary, resulting in spending under budgeted levels.

Purchased Transportation Services were at 97% of the YTD 2013 budget. The positive variance was driven by partner rates being slightly lower than budgeted levels for 2013; Pierce Transit adjusted its 2013 baseline service cost down after the analysis of the 2012 reconciliation showed that current year prices for service could be lowered.

Leases and Rentals were at 112% of the YTD 2013 budget. The unfavorable variance was driven by the timing of payments for debt service on the Downtown Seattle Transit Tunnel. This variance for 2013 will be lower after the debt service payments are recorded later in 2013.

Agency Admin Allocations were at 95% of the YTD 2013 budget. This account includes the staff operating costs allocated from both corporate and line of business departments, as well as previously unallocated expenses for Leased Office Space and Internal Audit as a result of the Agency switching to a fully allocated model. Agency spending had been under budget overall in the second quarter, resulting in a smaller amount of allocated costs to Service Delivery than was budgeted.

Tacoma Link Light Rail as of June 30, 2013

(\$Thousands)

	Q1 2013 Actuals	Q2 2013 Actuals	2013 YTD Actuals	2013 YTD Budget	2013 Budget Remaining	2013 Q2 % Budget
Operating Revenues						
Passenger Fares	-	-	-	-	-	0%
Other Operating Revenue	6	6	12	-	-	0%
Total Operating Revenues	\$ 6	\$ 6	\$ 12	-	-	0%
Direct Operating Expenses						
Salaries and Benefits	464	478	942	931	(11)	101%
Services	126	189	315	452	137	70%
Materials and Supplies	63	28	91	114	23	80%
Insurance	40	37	77	114	37	68%
Purchased Transportation Svcs	1	-	1	3	2	33%
Miscellaneous Expenses	-	6	6	58	52	10%
Leases & Rentals	3	3	6	6	-	100%
Other Expenses	55	(1)	54	65	11	83%
Total Direct Operating Expenses	\$ 752	\$ 740	\$ 1,492	\$ 1,743	\$ 251	86%
Agency Admin Allocations	184	198	382	400	18	96%
Fully Allocated Operating Expenses	\$ 936	\$ 938	\$ 1,874	\$ 2,143	\$ 269	87%

Ridership: Q2 2013 Ridership was 4% higher than the budgeted level and at about the same level for the same period of 2012. There are no fare revenues on Tacoma Link.

Services were at 70% of the YTD 2013 budget. The largest variance was underspending of \$52K related to facilities maintenance at Tacoma Link stations as major painting and paving maintenance projects will occur during the drier periods in the middle of the year. In addition, there was no spending for Maintenance of Way as most preventive maintenance work for right of way, power and track is now being performed by in-house staff. Other service contracts for testing and annual certification of the system components are scheduled for later in the year.

Materials and Supplies were under the YTD 2013 budget by 20%. Usage of spare parts was running lower than budget forecast through Q2; this category is expected to be at budgeted levels at year-end.

Agency Admin Allocations were at 96% of the YTD 2013 budget. This account includes the staff operating costs allocated from both corporate and line of business departments, as well as previously unallocated expenses for Leased Office Space and Internal Audit as a result of the Agency switching to a fully allocated model. Agency spending had been under budget overall in the second quarter, resulting in a smaller amount of allocated costs to Service Delivery than was budgeted.

Central Link Light Rail as of June 30, 2013

(\$Thousands)

	Q1 2013 Actuals	Q2 2013 Actuals	2013 YTD Actuals	2013 YTD Budget	2013 Budget Remaining	2013 Q2 % Budget
Operating Revenues						
Passenger Fares	3,180	3,906	7,087	6,550	(537)	108%
Other Operating Revenue	29	53	82	60	(22)	137%
Total Operating Revenues	\$ 3,209	\$ 3,959	\$ 7,169	\$ 6,610	\$ (559)	108%
Direct Operating Expenses						
Salaries and Benefits	300	312	612	831	219	74%
Services	3,243	3,590	6,833	7,147	314	96%
Materials and Supplies	521	312	833	1,031	198	81%
Insurance	366	(697)	(331)	925	1,256	-36%
Purchased Transportation Svcs	5,665	8,341	14,006	14,271	265	98%
Miscellaneous Expenses	2	35	37	131	94	28%
Leases & Rentals	917	849	1,766	1,486	(280)	119%
Other Expenses	605	515	1,120	1,110	(10)	101%
Total Direct Operating Expenses	\$ 11,620	\$ 13,257	\$ 24,876	\$ 26,932	\$ 2,056	92%
Agency Admin Allocations	885	976	1,861	1,954	91	95%
Fully Allocated Operating Expenses	\$ 12,506	\$ 14,233	\$ 26,737	\$ 28,886	2,149	93%

Revenues and Ridership: Fare revenues were over the YTD 2013 budget by 8%. Ridership was 4% over budgeted levels, while the average fare per boarding is 4% above budgeted levels. Ridership on Central Link was 11% higher in 2013 compared to the same period in 2012.

Services were under the YTD 2013 budget by 4%. Fare Collection Maintenance costs were under budget by \$51K, primarily driven by lower costs in contracted services for Ticket Vending Machines as more work has been brought in house. Facilities Maintenance was over budget due to higher than expected charges for maintenance in environmentally sensitive areas.

Insurance was under the YTD 2013 budget by \$1.3 million due to a payment from insurance carrier for the reimbursement of the costs associated with the copper wire replacement.

Purchased Transportation costs were at 98% of the YTD 2013 budget. The positive variance was primarily driven by low Paratransit expenses. The costs to King County for light rail operation and maintenance are at budgeted levels for the year

Lease and Rentals were over the YTD 2013 budget by \$280K. The unfavorable variance was driven by the payments for debt service on the DSTT. This variance for 2013 will be lower after the debt service payments are recorded later in 2013.

Agency Admin Allocations were at 95% of the YTD 2013 budget. This account includes the staff operating costs allocated from both corporate and line of business departments, as well as previously unallocated expenses for Leased Office Space and Internal Audit as a result of the Agency switching to a fully allocated model. Agency spending had been under budget overall in the second quarter, resulting in a smaller amount of allocated costs to Service Delivery than was budgeted.

Service Delivery - Supplemental Information

Systemwide	2nd Quarter			Year to Date			YTD vs. Budget	
	2012	2013	% Change	2012	2013	% Change	Budget	% Variance
Boardings by Service Type								
ST Express Bus	3,923,279	4,210,114	7%	7,539,021	8,129,052	8%	7,456,577	9%
Sounder Commuter Rail	717,465	760,866	6%	1,353,877	1,470,923	9%	1,274,045	15%
Central Link	2,193,780	2,412,808	10%	4,016,399	4,453,386	11%	4,281,227	4%
Tacoma Link	265,736	256,221	-4%	525,257	515,524	-2%	495,275	4%
Total	7,100,260	7,640,009	8%	13,434,554	14,568,885	8%	13,507,124	8%
Farebox Recovery*	Annual Target		Q2 2013 Actuals		YTD 2013 Actuals			
Sounder Commuter Rail	23%		26%		27%			
ST Express Bus	27%		33%		31%			
Central Link	24%		32%		28%			

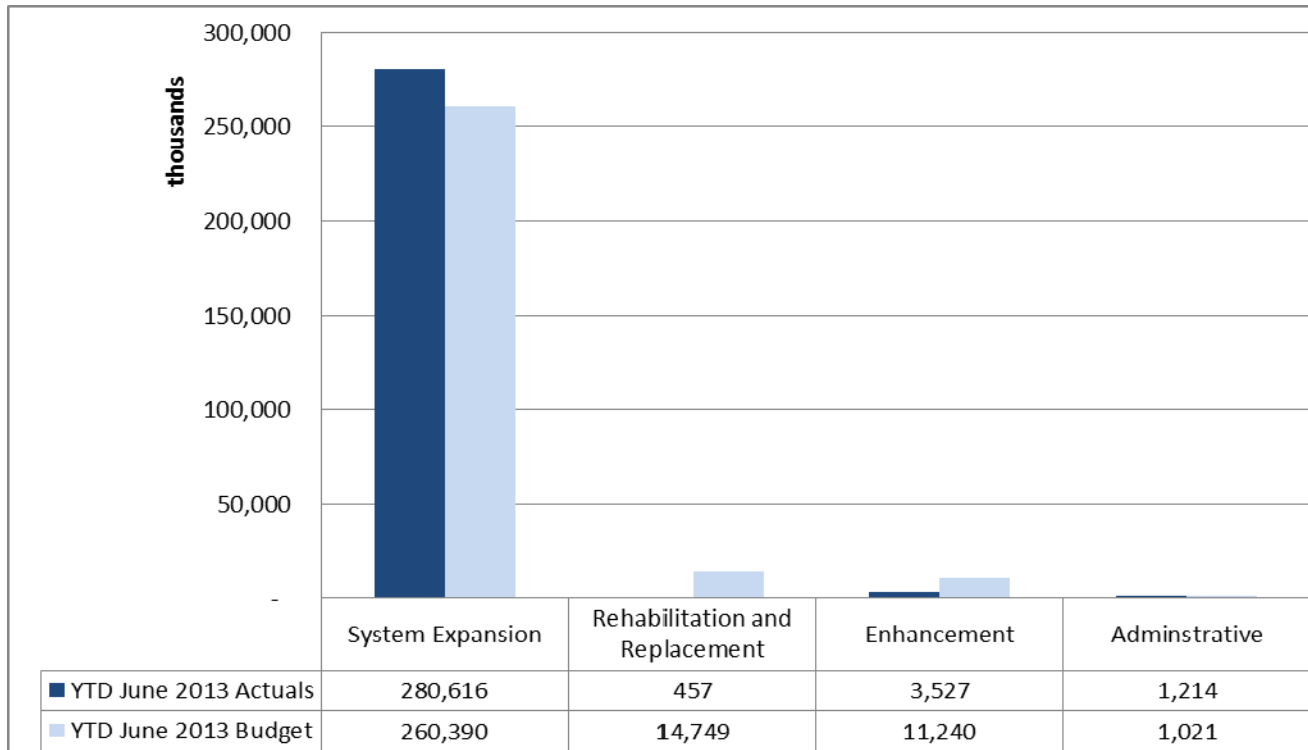
*Calculation of passenger fare revenues divided by operating costs.

All four modes are above 2013 year-to date ridership targets: ST Express 9% higher than projected and 7% above 2Q 2012; Sounder 15% higher than projected and 6% above 2Q 2012; Central Link 4% higher than projected and 10% above 2Q 2012; Tacoma Link 4% higher than projected but 4% below 2Q 2012. In total, for all four modes actual boardings are ahead of projections by 8% or 1.1M.

Farebox recovery for each of the three revenue generating modes is 4% ahead of 2013 targets.

Section IV – Capital Outlays

Capital Project Financial Status as of June 30, 2013



(thousands)	2013 Current Budget	YTD June 2013 Budget	YTD June 2013 Actuals	YTD Budget Remaining	YTD % Budget Remaining	Lifetime Budget	LTD June 2013 Actuals	Contract Remaining	LTD Budget Uncommitted	LTD June 2013 % Uncommitted
System Expansion	662,461	260,390	280,616	(20,226)	108%	9,073,533	6,376,504	815,351	1,881,678	21%
Rehabilitation and Replacement	31,476	14,749	457	14,292	3%	179,682	79,255	1,390	99,037	55%
Enhancement	32,366	11,240	3,527	7,713	31%	127,114	36,603	16,136	74,375	59%
Administrative	5,051	1,021	1,214	(193)	119%	47,491	10,143	2,145	35,203	74%
Total	\$ 731,354	\$ 287,400	\$ 285,814	\$ 1,586	99%	\$ 9,427,820	\$ 6,502,505	\$ 835,022	\$ 2,090,293	22%

This table above is included to align current capital financial activity to the format utilized in the 2013 Adopted TIP which organizes the capital program into four categories: system expansion, rehabilitation and replacement, enhancement and administrative. Definitions for each are included below.

- System Expansion: projects that expand the regional mass transit system and include the voter –approved ST2 and Sound Move programs
- Rehabilitation and Replacement: projects that extend the life of elements of the existing transit system or replace system assets at the end of their useful life.
- Enhancement: projects that improve rider experience, increase the existing system's functionality, or reduce operating costs.
- Administrative Projects: projects that indirectly support the agency's mission.

Project delivery for all four categories is just \$1.6M below the 2Q budget. Individual project details explaining budget variances by mode can be found further in this report.

Sounder Commuter Rail Capital

Sounder Commuter Rail - Capital Outlays by Phase As of June 30, 2013

Phase	Current Year	YTD	YTD	YTD actuals	YTD actuals
	Capital Budget	Capital Budget	Actuals	(over)/under	as % of
	a	b	c	[b - c]	[c / b]
Agency Administration	8,175,862	4,346,886	851,314	3,495,573	20%
Preliminary Engineering	5,082,823	2,218,689	286,900	1,931,788	13%
Final Design	14,106,001	4,121,480	360,871	3,760,609	9%
Third Party	2,332,000	1,493,333	198,907	1,294,426	13%
ROW Acq. & Permits	54,127,452	6,497,014	44,827,655	-38,330,642	690%
Construction	22,292,522	6,298,387	2,713,699	3,584,688	43%
Construction Management	3,564,408	1,345,884	536,497	809,386	40%
Vehicles	203	203	0	203	0%
Contingency	630,508	0	0	0	0%
DECM Total	104,832,386	24,362,991	49,263,401	-24,900,411	202%
PEPD Total	5,479,391	1,958,884	512,442	1,446,442	26%
Total	110,311,778	26,321,875	49,775,843	-23,453,968	189%

LifeTime Capital Plan 1997 - 2023

Phase	Adopted	Life-to-date	LTD Contract	Budget	% Spent and
	LifeTime Budget	Actuals	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	33,479,204	21,579,472	-15,576	11,915,307	64%
Preliminary Engineering	18,307,167	9,924,046	2,660,553	5,722,568	69%
Final Design	50,894,230	32,498,694	2,278,666	16,116,871	68%
Third Party	8,445,402	3,280,374	2,465,383	2,699,645	68%
ROW Acq. & Permits	279,281,454	262,729,409	292,294	16,259,751	94%
Construction	247,093,476	178,431,957	24,255,717	44,405,802	82%
Construction Management	12,478,286	5,597,782	4,880,407	2,000,096	84%
Vehicles	17,906,675	17,906,472	0	203	100%
Contingency	630,508	0	0	630,508	0%
DECM Total	658,122,666	529,922,212	33,344,633	94,855,821	86%
PEPD Total	10,393,736	2,025,994	3,472,811	4,894,931	53%
Total	668,516,402	531,948,206	36,817,445	99,750,751	85%

Sounder capital outlays through June 2013 were 189% of the YTD 2013 Budget plan. A description of financial performance follows.

Agency Administration phase outlays of \$0.85M were 20% of the YTD 2013 Budget plan, or \$3.5M below plan. Agency Administration is mainly the direct staff overhead being charged to the projects. In developing the budget it was anticipated that construction would be taking place at Tukwila and Mukilteo Stations and that further progress would be made on design and implementation of positive train control. Construction is scheduled to begin at Tukwila and Mukilteo this summer; the contract for positive train control is still in negotiations. In addition it was anticipated that further progress would have been made on the ST2 projects (Sumner, Puyallup and Lakewood station improvements, Tacoma Trestle Replacement and the Sounder Yard and Shops projects. Activity on these projects was deferred due to Board direction to advance ST3 planning. Projects have been reassigned and are progressing. Administrative cost will be evaluated during the budget cycle and adjusted.

Preliminary Engineering phase outlays of \$0.3M were 13% of the YTD 2013 Budget plan, or \$1.9M below plan. Sounder Yard and Shops Facility (PEPD) was \$0.7M underspent as each step requires Board Approval. Board had only recently given approval to complete environmental documentation.

Sounder South Expanded Service was \$0.7M under spent due to delays in PE/ED tasks, i.e. assessment of environmental mitigation and development of appropriate strategy for completing mitigation in advance of initiating final design of mitigation elements. This also resulted in delays in following phases versus forecast.

Tacoma Trestle Track and Signal was \$0.3M under spent. During the 2013 budgeting cycle, procurement of the preliminary engineering contractor was anticipated earlier in the year and that PE would be well underway.

Contractor selection was being finalized in Jun and NTP will only be issued in August 2013. The impact of the timing of procurement will continue through the balance of the year. Cash flows will be updated during the 2014 budget cycle.

Final Design phase outlays of \$0.4M were 9% of the YTD 2013 Budget plan, or \$3.7M below plan. Positive Train Control was \$3.2M under spent. Cash flow assumptions projected design to be well underway by this time. Delays attributable to negotiations have limited the level of effort on this project. The impact of these delays will continue through the balance of the year. Cash flows will be updated during the 2014 budget cycle. Sounder South Expanded Service was \$0.4M under spent due to delay in PE/ED tasks.

Third Party phase outlays of \$0.2M were 13% of the YTD 2013 Budget plan, or \$1.2M below plan. Positive Train Control was \$0.9M under spent. Following notification of award in March, the contractor took issue with the contract terms and additional negotiations were required, causing the timing variance in the projected cash flow assumptions.

Lakewood Station Improvements (PEPD) was \$0.3M below YTD plan. The city has been slow to bill Sound Transit. This project is a "capped contribution" project; the city intends to bill Sound Transit for a total of \$1M. The budget reflects the availability of this funding.

ROW phase outlays of \$44.8M were 690% of the YTD 2013 Budget plan, or \$38.3M above plan.

Sounder South Expanded Service was \$41M higher than the budget. Payment to BNSF for the additional easements of \$43M was forecasted to be in July. However, payment was made in June instead.

Layover was \$2.4M under spent. Value of property was less than anticipated during the budgeting cycle. This project is complete and being prepared for closeout. Surplus funding if available will be defunded.

Construction phase outlays of \$2.7M were 43% of the YTD 2013 Budget plan, or \$3.5M below plan.

- Layover was \$1.5M under spent. Value of construction was less than anticipated during the budgeting cycle. This project is complete and being prepared for closeout. Surplus funding if available will be defunded.
- M Street-Lakewood Track & Signal was \$0.7M under spent with follow on work being budgeted. This work however is being completed under the D Street to M Street project.
- Mukilteo Station was \$0.5M underspent. Delay in issuing NTP resulted in late start of construction work. As a result, the level of effort associated with construction is therefore less than planned.
- Permitting/Environmental Mitigation was \$0.5M under spent. Construction was delayed due to weather conditions. Final project construction will be performed in 3Q.
- Tukwila Station was \$0.2M under spent. Delay in issuing NTP resulted in late start of construction work. As a result, the level of effort associated with construction is therefore less than planned.

Construction Management phase outlays of \$0.5M were 40% of the YTD 2013 Budget plan, or \$0.8M below plan.

- D Street – M Street Track & Signal was \$0.2M under spent, the CM services contract is projecting to finish under budget.
- Positive Train Control was \$0.2M under spent. Delay in contract due to protracted negotiations.
- Mukilteo Station was \$0.2M underspent due to delays in Construction phase.
- Layover was \$0.2M under spent. Value of CM was less than anticipated during the budgeting cycle. This project is complete and being prepared for closeout. Surplus funding if available will be defunded.

Regional Express Capital Outlays by Phase

Regional Express - Capital Outlays by Phase As of June 30, 2013

Phase	Current Year	YTD	YTD	YTD actuals	YTD actuals
	Capital Budget	Capital Budget	Actuals	(over)/under	as % of
	<i>a</i>	<i>b</i>	<i>c</i>	[<i>b - c</i>]	[<i>c / b</i>]
Agency Administration	2,108,659	999,839	256,714	743,125	26%
Preliminary Engineering	2,249,280	1,129,518	103,231	1,026,287	9%
Final Design	12,153,916	6,405,000	5,362,123	1,042,877	84%
Third Party	0	0	0	0	0%
ROW Acq. & Permits	433,782	373,532	314,013	59,519	84%
Construction	15,955,081	5,209,787	5,604,560	-394,773	108%
Construction Management	0	0	0	0	0%
Vehicles	0	0	0	0	0%
Contingency	376,625	0	0	0	0%
DECM Total	30,750,819	12,854,414	11,492,355	1,362,059	89%
PEPD Total	2,526,524	1,263,262	148,286	1,114,976	12%
Total	33,277,343	14,117,676	11,640,641	2,477,034	82%

LifeTime Capital Plan 1997 - 2023

Phase	Adopted	Life-to-date	LTD Contract	Budget	% Spent and
	LifeTime Budget	Actuals	Remaining	Remaining	Committed
	<i>d</i>	<i>e</i>	<i>f</i>	[<i>d-(e+f)</i>]	[<i>(e+f)/d</i>]
Agency Administration	26,357,669	23,858,667	-14,448	2,513,450	90%
Preliminary Engineering	36,423,439	34,652,109	2,026,792	-255,462	101%
Final Design	53,241,203	37,481,568	10,368,043	5,391,592	90%
Third Party	14,730,000	14,730,374	0	-374	100%
ROW Acq. & Permits	16,885,508	17,350,987	25,186	-490,664	103%
Construction	256,331,966	264,282,451	9,013,415	-16,963,900	107%
Construction Management	0	0	0	0	0%
Vehicles	0	0	0	0	0%
Contingency	37,090,468	0	0	37,090,468	0%
DECM Total	420,859,084	376,634,026	19,380,687	24,844,371	94%
PEPD Total	20,201,170	15,722,130	2,038,301	2,440,739	88%
Total	441,060,254	392,356,156	21,418,988	27,285,110	94%

Regional Express annual capital outlays through June 2013 were 82% of the YTD 2013 Budget plan.

Agency Administration phase outlays of \$0.2M were 26% of the YTD 2013 Budget plan, or \$0.7M below plan. Agency Administration is mainly the direct staff overhead being charged to the projects. Limited progress has been made on on-going projects due to emphasis on initiating ST3 planning and variance of \$0.3M for I-90 Stage 3 was due to higher anticipated hours required to administer agreement than necessary.

Preliminary Engineering phase outlays of \$0.1M were 9% of the YTD 2013 Budget plan, or \$1M below plan. ST Bus Base was 1M under spent; this project is proceeding incrementally as directed by the Board. The Board of Directors has authorized only the completion of environmental documentation in May. Budget cash flow assumed that effort would have been initiated and well under way earlier this year.

Final Design phase outlays of \$5.3M were 84% of the YTD 2013 Budget plan, or \$1M below plan. I90 Stage 3 was \$1M under budget. The 2013 Cash Flow is based upon the current WSDOT cash flow, which was overstated by WSDOT. Additionally, accrual errors from previous months are in the process of being corrected.

ROW phase outlays of \$0.3M were 84% of the YTD 2013 Budget plan, or \$0.05M under plan.

Construction phase outlays of \$5.60M were 108% of the YTD 2013 Budget plan, or \$0.4M above plan.

- Strander Boulevard Extension was \$2M over spent as forecast was made based on milestone payments. However, billings came in otherwise. This is a capped contribution project.
- Rainier Avenue Arterial Improvements was \$0.6M over spent as forecast was made based on milestone payments. However, billings came in otherwise. This is a capped contribution project.
- Mountlake Terrance Freeway station was \$1.6M below plan. WSDOT has yet to finalize billing to close out the project. ST is completing installation of the water well and pump house requested by Operations. Well installation was delayed due to permitting issues.
- I90 Stage 2 was \$0.2M under budget. Working with WSDOT to resolve billings and close out project. Budget to be adjusted in the 2014 budget cycle.
- Totem Lake Freeway Station was \$0.2M under plan. A bus shelter that had to be modified to avoid damage to the new hybrid buses accessing the stop. The cost of the modifications was unknown at the time so a generous estimate was included in the construction budget. The shelter modifications were completed at a relatively low cost \$25,000; we are working with WSDOT to get a clear estimate of final billings. Surplus funding if available will be transferred to the East King County reserve during the 2014 budget cycle.
- Kirkland Transit Center was \$0.15M below plan. Sound Transit is preparing plans for construction of the shelter. The installation will be completed under the Job Order Contract (JOC), which although awarded, cannot be used until the submittals review is completed later this quarter or in Q3.

Link Light Rail Capital

Light Rail - Capital Outlays by Project (in thousands) As of June 30, 2013

Project	2013 Adopted	YTD	YTD	YTD Actuals	YTD Actuals
	Capital Plan	Budget	Actuals	(over)/under YTD Budget	as % of YTD Budget
	a	b	c	[b-c]	[c/b]
Northgate Link Extension	83,845	15,460	14,132	1,328	91%
Northgate Link Extension Project Reserve	-	-	-	-	0%
University Link Extension	166,724	92,496	83,642	8,854	90%
LRV On Board Energy	1,121	579	166	414	29%
Initial Segment	882	403	303	100	75%
DSTT South Access Security	88	88	0	88	0%
Noise Abatement	3,914	2,191	2,565	(374)	117%
Beacon Avenue Paving	2,000	93	64	29	68%
Link Station Paver Replacement	500	127	23	104	18%
Airport Link	400	400	384	16	96%
S 200th Link Extension	72,152	37,094	44,171	(7,077)	119%
East Link Extension	91,851	36,024	35,037	987	97%
Overlake Village Bridge	728	54	1	53	2%
Lynnwood Link Extension	10,399	4,343	3,104	1,239	71%
Federal Way Transit Extension	8,120	2,160	1,836	323	85%
First Hill Street Car	55,420	27,650	25,583	2,067	93%
Tacoma Link Expansion	2,628	1,066	525	541	49%
Link Operations & Maint Satellite Facility	4,249	1,410	2,000	(591)	142%
TOTAL	505,020	221,638	213,536	8,102	96%

Lifetime Capital Plan

Project	Adopted	Life-to-date	Contract	Budget	% Spent &
	Capital Plan	Outlays	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Northgate Link Extension	2,131,400	152,500	130,461	1,848,439	13%
Northgate Link Extension Project Reserve	50,000	-	-	50,000	0%
University Link Extension	1,756,007	1,091,027	286,993	377,988	78%
LRV On Board Energy	1,643	169	1,307	167	90%
Initial Segment	2,095,618	2,088,740	707	6,171	100%
Central Link Switch Heaters	2,253	2,253	-	-	100%
DSTT South Access Security	800	725	-	75	91%
Noise Abatement	13,000	5,049	4,409	3,542	73%
Beacon Avenue Paving	2,000	64	9	1,927	4%
Link Station Paver Replacement	500	23	215	263	47%
DSTT Capital Costs	23,719	23,719	-	-	100%
Airport Link	262,024	261,211	0	813	100%
S 200th Link Extension	383,241	83,137	169,248	130,856	66%
East Link Extension	756,819	127,568	108,895	520,356	31%
Overlake Village Bridge	1,898	1	(0)	1,897	0%
Tacoma Link	77,097	77,097	-	-	100%
Puyallup Extension Study	-	35	-	(35)	0%
Lynnwood Link Extension	57,119	17,511	4,673	34,935	39%
Federal Way Transit Extension	41,843	3,437	560	37,846	10%
First Hill Street Car	132,780	78,712	50,355	3,713	97%
Tacoma Link Expansion	5,765	1,145	367	4,252	26%
Link Operations & Maint Satellite Facility	9,432	3,416	14	6,001	36%
LRT Overhead Reserve	-	3,955	-	(3,955)	0%
TOTAL	7,804,957	4,021,494	758,212	3,025,251	61%

Light rail capital outlays through the second quarter of 2013 are 96% of the YTD 2013 Budget plan. A description of financial performance through June 2013 follows.

Northgate Link Extension - Capital Outlays by Phase (thousands)
As of June 30, 2013

Phase	2013 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	7,571	3,785	2,567	1,218	68%
Preliminary Engineering	-	-	-	-	0%
Final Design	18,773	3,957	4,793	(836)	121%
Third Party	908	447	133	315	30%
ROW Acq. & Permits	27,329	2,200	2,778	(578)	126%
Construction	24,252	3,335	2,849	486	85%
Construction Services	5,012	1,736	1,013	723	58%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	83,845	15,460	14,132	1,328	91%

Lifetime Capital Plan

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	149,500	14,459	28	135,012	10%
Preliminary Engineering	15,077	15,077	-	-	100%
Final Design	113,123	56,467	39,459	17,197	85%
Third Party	11,000	2,224	7,906	870	92%
ROW Acq. & Permits	148,050	50,293	1,129	96,628	35%
Construction	1,310,570	12,047	8,388	1,290,135	2%
Construction Services	112,050	1,932	73,550	36,568	67%
Vehicles	259,100	-	-	259,100	0%
Test and Startup	12,930	-	-	12,930	0%
Contingency	-	-	-	-	0%
TOTAL	2,131,400	152,500	130,461	1,848,439	13%

Northgate Link Extension annual capital outlays of \$14.1M through June 2013 were 91% of the YTD 2013 Budget plan, or \$1.3M below plan.

Agency Administration includes: Staff costs, OCIP/Builder's Risk insurance, and direct expenses. Capital outlays of \$2.6M were 68% of the YTD 2013 Budget plan, or \$1.2M below plan. Staff costs of \$2.3M were \$0.3M below plan, insurance payments of \$47K (19%) were \$0.2M below plan, and direct expenses of \$0.2M were \$0.7M below plan.

Preliminary Engineering is complete.

Final Design Activity planned for this phase includes civil and systems final design, and civil design services in support of construction (DSDC). Capital outlays of \$4.8M were 121% of the YTD 2013 Budget plan, or \$0.8M ahead of plan due to increased Civil FD efforts to finalize documents for the N125 (TBM Tunnels) contract procurement, and to revise the design of N160 (Northgate Station & Guideway) to reflect collaboration with KCM, the City of Seattle and WSDOT.

Third Party Activity planned for this phase represents work by outside agencies to support final design and construction. Capital outlays of \$0.1M were 30% of the YTD 2013 Budget plan, or \$0.3M below plan. Work reported by the City of Seattle and WSDOT was for design coordination; no construction assistance work was reported.

Right of Way Capital outlays of \$2.8M were 126% of the YTD 2013 Budget plan, or \$0.6M ahead of plan for property acquisitions and tunnel easements that were settled earlier than anticipated.

Construction Capital outlays of \$2.8M were 85% of the YTD 2013 Budget plan, or \$0.5M below plan. N110 (Utility Relocation Roosevelt) was \$0.1M ahead of plan, and N112 (U District & Roosevelt Stations Site Preparation) was on plan. Work was below plan for the City of Seattle by \$0.2M, Environmental Mitigation by \$0.3M and Construction Permits by \$0.1M.

Construction Services Capital outlays of \$1.0M were 58% of the YTD 2013 Budget plan, or \$0.7M below plan due to earlier access issues and limited activity at the U District Station site.

University Link Extension - Capital Outlays by Phase (thousands)

As of June 30, 2013

<u>Phase</u>	2013 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	10,807	5,403	6,247	(844)	116%
Preliminary Engineering	-	-	-	-	0%
Final Design	5,873	2,756	2,883	(127)	105%
Third Party	829	416	25	391	6%
ROW Acq. & Permits	450	225	29	196	13%
Construction	133,659	75,968	67,084	8,884	88%
Construction Services	14,856	7,528	7,216	312	96%
Vehicles	150	150	157	(7)	105%
Test and Startup	100	50	-	50	0%
Contingency	-	-	-	-	0%
TOTAL	166,724	92,496	83,642	8,854	90%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	115,229	49,638	168	65,423	43%
Preliminary Engineering	24,261	24,261	-	-	100%
Final Design	87,633	76,099	7,807	3,727	96%
Third Party	18,646	10,507	916	7,223	61%
ROW Acq. & Permits	152,332	125,549	(9)	26,792	82%
Construction	1,148,783	649,375	259,133	240,275	79%
Construction Services	95,814	56,530	18,786	20,499	79%
Vehicles	103,909	98,981	193	4,734	95%
Test and Startup	9,400	85	-	9,315	1%
Contingency	-	-	-	-	0%
TOTAL	1,756,007	1,091,027	286,993	377,988	78%

University Link Extension annual capital outlays of \$83.6M through June 2013 were 90% of the YTD 2013 Budget plan, or \$8.9M below plan. As a result of tunneling work completing with few complications, current estimates indicate a budget surplus of \$107M at project completion.

Agency Administration includes: Staff costs, OCIP/Builder's Risk insurance and direct expenses. Outlays of \$6.2M were 116% of the YTD 2013 Budget plan, or \$0.8M ahead of plan. OCIP costs of \$3.3M were ahead of plan by \$2.0M. Insurance payments are allocated to the project based on life-to-date actual outlays for OCIP construction contracts as a percent of total projected costs at their completion. Due to favorable construction conditions, projected costs for TBM tunneling and other major contracts were reduced in June, which increased the allocation percent. High OCIP costs were partly offset by staff costs of \$2.7M (87%) below plan by \$0.4M, and direct expenses of \$0.2M (18%) below plan by \$0.8M.

Preliminary Engineering is complete.

Final Design Activity planned for this phase includes systems final design and ongoing design services in support of construction (DSDC). Capital outlays of \$2.9M were 105% of the YTD 2013 Budget plan, or \$0.1M ahead of plan for DSDC due to the ramping up of U240 (Capitol Hill Station Finishes) support and efforts to close out U230 (TBM Tunnels CHS-PSST).

Third Party Activity planned for this phase represents work by outside agencies to support final design and construction. Capital outlays of \$25K were 6% of the YTD 2013 Budget plan, or \$0.4M below plan; levels of support were lower than expected, because construction contracts have been doing well.

Right of Way phase outlays of \$29K were 13% of the YTD 2013 Budget plan, or \$0.2M below plan. All property acquisitions are complete.

Construction phase outlays of \$67.1M were 88% of the YTD 2013 Budget plan, or \$8.9M below plan. Expenditures were ahead of plan for U220 (UW to CHS) by \$0.9M and permitting by \$0.9M due to mitigation of ground water leakage in cross passage 17 earlier this year. Expenditures were below plan for U230 (CHS to PSST) by \$3.4M. Few problems were encountered during tunneling, and this contract is expected to be completed for less than what was budgeted. For the same reasons, work by others is below plan by \$0.5M. In addition, YTD expenditures on U240 (Capitol Hill Station Finishes) were below plan by \$3.8M, U250 (UW Station Finishes) by \$1.6M, and U830 (Systems) by \$1.1M, because contractor schedules differ from pre-award schedules used to prepare the budget

Construction Services Capital outlays of \$7.2M were 96% of the YTD 2013 Budget plan, or \$0.3M below plan. Civil CM was ahead of plan by \$0.3M Systems CM was below plan by \$0.6M.

Vehicles phase outlays reflect specific contract deliverables for the University Link Extension. All 27 LRVs were commissioned in 2011, Final Acceptance was issued, and vehicles are in warranty. Only punch list work remains with minor financial cost outstanding, and the contract will close out within the awarded amount. Capital outlays of \$157K were 105% of the YTD 2013 Budget plan, or \$8K ahead of plan, because change order work for headlights planned for 2012 was delayed until 2013.

Testing & Startup Miscellaneous systems testing that may be required in advance of the full testing and startup effort scheduled to get underway in late 2014. Capital outlays were \$50K below the YTD 2013 Budget plan, because no work has been reported through June.

LRV On Board Energy - Capital Outlays by Phase (in thousands)

As of June 30, 2013

(thousands)

Phase	2013 Adopted	YTD	YTD	YTD Actuals	YTD Actuals
	Capital Plan	Budget	Actuals	(over)/under	as % of
	a	b	c	[b-c]	[c/b]
Agency Administration	41	20	-	20	0%
Preliminary Engineering	-	-	-	-	0%
Final Design	10	5	-	5	0%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	1,070	554	166	388	30%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	1,121	579	166	414	29%

Lifetime Capital Plan

Phase	Adopted	Life-to-date	Contract	Budget	% Spent &
	Capital Plan	Outlays	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	60	3	-	57	5%
Preliminary Engineering	-	-	-	-	0%
Final Design	10	-	-	10	0%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	1,573	166	1,307	100	94%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	1,643	169	1,307	167	90%

LRV On Board Energy is a pilot project that entails the design, procurement, and installation of energy storage units on up to five light rail vehicles to capture and store energy generated by vehicle braking for reuse that would otherwise dissipate as heat. The project is partially funded by a Transit Investment for Greenhouse Gas and Energy Reduction (TIGGER) grant awarded to Sound Transit in 2011.

Annual capital outlays of \$166K through June 2013 were 29% of the YTD 2013 Budget plan, or \$414K below plan. Design of the storage units began in December 2012. The contractor is being reimbursed in accordance with a Milestone Payment Plan. The payment expected in May 2013 for installation design is now not anticipated until third quarter 2013.

The project is currently on schedule for design, testing, and installation of the three Energy Management Storage Units for Sound Transit. The submission of the project schedule, Preliminary Design Review, Final Design Review and the start of production of the Energy Management Units have all been completed and on schedule. The next big schedule date is for the First Article Inspection and factory Qualification Tests, these are scheduled for the last week in October with the all units being installed and testing completed by late December 2013.

Initial Segment - Capital Outlays by Phase

As of June 30, 2013

(thousands)

Phase	2013 Adopted	YTD	YTD	YTD Actuals	YTD Actuals
	Capital Plan	Budget	Actuals	(over)/under	as % of
	a	b	c	[b-c]	[c/b]
Agency Administration	200	179	192	(13)	107%
Preliminary Engineering	-	-	-	-	0%
Final Design	10	10	(65)	75	-648%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	34	2	(1)	3	-54%
Construction	618	192	176	16	92%
Construction Services	20	20	(0)	20	-1%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	882	403	303	100	75%

Lifetime Capital Plan

Phase	Adopted	Life-to-date	Contract	Budget	% Spent &
	Capital Plan	Outlays	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	185,912	185,905	2	5	100%
Preliminary Engineering	33,268	33,268	-	-	100%
Final Design	143,984	143,916	52	16	100%
Third Party	61,101	61,101	0	(0)	100%
ROW Acq. & Permits	205,058	205,018	70	(31)	100%
Construction	1,215,320	1,208,584	583	6,153	99%
Construction Services	102,552	102,523	0	28	100%
Vehicles	131,799	131,799	-	-	100%
Test and Startup	16,625	16,625	-	-	100%
Contingency	-	-	-	-	0%
TOTAL	2,095,618	2,088,740	707	6,171	100%

The Initial Segment opened for revenue service in July 2009. Work that remains to be completed is to retrofit lighting for the Tukwila Station. This project is expected to close out in 2013 with a budget surplus of \$6.0M.

Consultant services were procured to identify the cause(s) and recommend remedial measures to mitigate water leaks observed in the Beacon Hill Station. The findings recommended approximately \$0.3M repair work that is projected to be completed this year.

Annual capital outlays of \$0.3M through June 2013 were 75% of the YTD 2013 Budget plan, or \$0.1M below plan.

Noise Abatement - Capital Outlays by Phase

As of June 30, 2013

(thousand)

<u>Phase</u>	2013 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	241	136	254	(118)	186%
Preliminary Engineering	-	-	-	-	0%
Final Design	35	25	-	25	0%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	2,618	1,499	1,977	(478)	132%
Construction Services	1,020	530	334	196	63%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	3,914	2,191	2,565	(374)	117%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	1,000	622	(14)	392	61%
Preliminary Engineering	-	-	-	-	0%
Final Design	60	5	25	29	51%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	8,750	2,846	3,246	2,658	70%
Construction Services	3,190	1,576	1,151	463	85%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	13,000	5,049	4,409	3,542	73%

Noise Abatement project annual capital outlays of \$2.6M through June 2013 were 117% of the YTD 2013 Budget plan, or \$0.4M ahead of plan.

Agency Administration includes: Staff costs and direct expenses. Capital outlays of \$254K were 186% of the YTD 2013 Budget plan, or \$118K ahead of plan. Staff costs were over plan by \$131K because work in support of noise wall construction, originally planned for 2012, was delayed and carried into 2013.

Final Design Work planned for this phase represents design services in support of the noise wall. Capital outlays were \$25K below the YTD 2013 Budget plan as no activity was reported through June 2013.

Construction Activities planned for this phase include RSIP, but primarily reflect construction of the noise wall. Capital outlays of \$2.0M were 132% of the YTD 2013 Budget plan, or \$0.5M ahead of plan. Expenditures for the RSIP program were ahead of plan by \$0.2M, and the noise wall by \$0.3M. Construction progress on the noise wall was ahead of plan and work is projected to finish ahead of the September 2013 completion date.

Beacon Avenue Paving - Capital Outlays by Phase

As of June 30, 2013

(thousands)

<u>Phase</u>	2013 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	210	48	14	34	29%
Preliminary Engineering	-	-	-	-	0%
Final Design	125	35	49	(14)	141%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	1,515	10	0	10	2%
Construction Services	150	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	2,000	93	64	29	68%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	210	14	(1)	197	6%
Preliminary Engineering	-	-	-	-	0%
Final Design	125	49	10	65	48%
Third Party	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	1,515	0	-	1,515	0%
Construction Services	150	-	-	150	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	2,000	64	9	1,927	4%

Beacon Avenue Paving project annual capital outlays of \$64K through June 2013 were 68% of the YTD 2013 Budget plan, or \$29K below plan.

The 2013 Budget plan anticipated this work to be completed this year. Award of the procurement contract has been pushed back three months to October 2013, due in large part to inclusion of betterments requested by the City of Seattle and then the delay in obtaining concurrence with the City of Seattle on the Betterments Agreement.

S 200th Link Extension - Capital Outlays by Phase

As of June 30, 2013

(thousands)

Phase	2013 Adopted	YTD	YTD	YTD Actuals	YTD Actuals
	Capital Plan	Budget	Actuals	(over)/under	as % of
	a	b	c	[b-c]	[c/b]
Agency Administration	2,881	1,138	1,302	(164)	114%
Preliminary Engineering	-	-	-	-	0%
Final Design	1,600	730	470	260	64%
Third Party	2,321	513	291	222	57%
ROW Acq. & Permits	10,972	10,432	14,989	(4,557)	144%
Construction	50,602	23,055	26,055	(2,999)	113%
Construction Services	3,775	1,226	1,065	161	87%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	72,152	37,094	44,171	(7,077)	119%

Lifetime Capital Plan

Phase	Adopted	Life-to-date	Contract	Budget	% Spent &
	Capital Plan	Outlays	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	15,864	5,868	(51)	10,047	37%
Preliminary Engineering	5,702	5,698	1	3	100%
Final Design	6,811	4,732	1,579	499	93%
Third Party	7,085	1,528	3,997	1,560	78%
ROW Acq. & Permits	43,549	28,750	4,643	10,156	77%
Construction	285,120	35,039	145,631	104,450	63%
Construction Services	17,322	1,522	13,448	2,352	86%
Vehicles	-	-	-	-	0%
Test and Startup	1,789	-	-	1,789	0%
Contingency	-	-	-	-	0%
TOTAL	383,241	83,137	169,248	130,856	66%

S 200th Link Extension annual capital outlays of \$44.2M through June 2013 were 119% of the YTD 2013 Budget plan, or \$7.1M ahead of plan.

Agency Administration includes: Staff costs and direct expenses. Annual capital outlays of \$1.3M were 114% of the YTD 2013 Budget plan, or \$0.2M ahead of plan due to higher staffing levels than planned to support preparation of S445 (Design-Build Parking Garage) contract documents and design reviews for the S440 Design-Build contract. Staff costs of \$1.2M were \$0.3M ahead of plan, offset by direct charges of \$0.1M that were \$0.1M below plan.

Preliminary Engineering is complete.

Final Design Activity planned for this phase reflects preparation for the S445 Design-Build (Parking Garage) contract. Annual capital outlays of \$0.5M were 64% of the YTD 2013 Budget plan, or \$0.3M below plan for preparation of S445 (Design-Build Parking Garage) and other final design efforts.

Third Party Activity planned for this phase represents work by outside agencies performed in support of design and construction. Annual capital outlays of \$0.3M were 57% of the YTD 2013 Budget plan, or \$0.2M below plan for the City of SeaTac DA and Port of Seattle Construction Coordination.

Right of Way Annual capital outlays of \$15.0M exceed the 2013 Budget plan by \$4.0M; however, funds remaining in the Lifetime Capital Plan are adequate to complete the acquisitions required for this project. Expenditures for property acquisitions planned for 2012 were not completed and carried over into 2013. Costs were also ahead of plan for ROW Administration related to high-value condemnations.

Construction Annual capital outlays of \$26.1M were 113% of the YTD 2013 Budget plan, or \$3.0M ahead of plan, Expenditures were ahead of plan by \$2.7M because the contractor's schedule differs from the pre-award schedule

used to prepare the budget. In addition expenditures were ahead of plan for Utility Relocation (PSE and Port of Seattle) by \$0.5M. Permitting costs were \$0.2M below plan.

Construction Services Work planned for this phase includes design-build project management (DB PM) and construction support. Annual capital outlays of \$1.1M were 87% of the YTD 2013 Budget plan, or \$0.2M below plan for DB PM.

East Link - Capital Outlays by Phase

As of June 30, 2013

(thousands)

Phase	2013 Adopted	YTD	YTD	YTD Actuals	YTD Actuals
	Capital Plan	Budget	Actuals	(over)/under	as % of
	a	b	c	[b-c]	[c/b]
Agency Administration	11,525	3,990	3,790	199	95%
Preliminary Engineering	2,145	430	315	115	73%
Final Design	48,900	31,194	30,071	1,123	96%
Third Party	1,280	306	394	(88)	129%
ROW Acq. & Permits	28,000	105	468	(363)	445%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	91,851	36,024	35,037	987	97%

Lifetime Capital Plan

Phase	Adopted	Life-to-date	Contract	Budget	% Spent &
	Capital Plan	Outlays	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	66,539	18,160	40	48,338	27%
Preliminary Engineering	61,123	53,350	1,009	6,765	89%
Final Design	223,685	39,227	104,971	79,486	64%
Third Party	40,064	1,674	2,184	36,206	10%
ROW Acq. & Permits	365,408	15,156	691	349,561	4%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	756,819	127,568	108,895	520,356	31%

East Link Extension annual capital outlays of \$35.0M through June 2013 were 97% of the YTD 2013 Budget, or \$1.0M below plan.

Agency Administration phase annual capital costs of \$3.8M were 95% of the YTD 2013 Budget plan, or \$0.2M. Staff costs were \$0.2M ahead of plan, off-set by direct expenses, mainly Information Technology (IT) and Legal, which were below plan by \$0.4M.

Preliminary Engineering Annual capital outlays of \$0.3M were 73% of the YTD 2013 Budget plan, or \$0.1M below plan.

Final Design Annual capital outlays of \$30.1M were 96% of the YTD 2013 Budget plan, or \$1.1M below plan. Expenditures were below plan due to delays in obtaining Right-of-Entries to conduct surveys and geotechnical borings, and may exceed the annual budget by year-end for this reason.

Third Party Annual capital outlays of \$0.4M were 129% of the YTD 2013 Budget plan, or \$0.1M ahead of plan, because expenditures planned for 2012 carried over into 2013.

Right of Way Capital outlays of \$0.5M were \$0.4M ahead of the YTD 2013 Budget plan for ROW consultant costs. Additional consultant support was needed to acquire rights of entry for geotechnical investigations and survey work.

Lynnwood Link Extension - Capital Outlays by Phase

As of June 30, 2013

(thousands)

Phase	2013 Adopted	YTD	YTD	YTD Actuals	YTD Actuals
	Capital Plan	Budget	Actuals	(over)/under	as % of
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	2,522	1,041	479	562	46%
Preliminary Engineering	7,362	3,172	2,562	610	81%
Final Design	-	-	-	-	0%
Third Party	304	120	59	61	49%
ROW Acq. & Permits	210	10	4	6	42%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	10,399	4,343	3,104	1,239	71%

Lifetime Capital Plan

Phase	Adopted	Life-to-date	Contract	Budget	% Spent &
	Capital Plan	Outlays	Remaining	Remaining	Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	10,738	2,776	(1)	7,963	26%
Preliminary Engineering	44,334	14,612	4,475	25,247	43%
Final Design	-	-	-	-	0%
Third Party	996	88	169	740	26%
ROW Acq. & Permits	1,050	36	30	985	6%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	57,119	17,511	4,673	34,935	39%

Capital outlays of \$3.1M through the end of June are 72% of the Adopted 2013 YTD budget, or \$1.2M below plan.

Agency Administration phase outlays of \$0.5M are 46% of the Adopted 2013 YTD budget, or \$0.6M below plan. The Staffing budget is utilized at 57%.

Preliminary Engineering phase outlays of \$2.6M are 81% of the Adopted 2013 YTD budget, or \$0.6M below plan primary due to lower than expected North Corridor Transit Partners Contract run rate.

Third Party phase expenditures will continue to trend below 2013 budget due to lower-than-anticipated charges from WSDOT.

Federal Way Transit Extension - Capital Outlays by Phase

As of June 30, 2013

<u>Phase</u>	2013 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	1,781	660	293	366	44%
Preliminary Engineering	6,050	1,500	1,512	(12)	101%
Final Design	-	-	-	-	0%
Third Party	289	-	-	-	0%
ROW Acq. & Permits	-	-	31	(31)	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	8,120	2,160	1,836	323	85%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	9,385	795	(18)	8,607	8%
Preliminary Engineering	30,883	2,611	590	27,683	10%
Final Design	-	-	-	-	0%
Third Party	1,575	-	-	1,575	0%
ROW Acq. & Permits	-	31	(12)	(20)	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	41,843	3,437	560	37,846	10%

Capital outlays of \$1.8M through the end of June are 85% of the Adopted 2013 YTD budget, or \$0.3 below plan.

Agency Administration phase outlays of \$0.3M are 45% of the Adopted 2013 YTD budget, or \$0.4M below plan. The Staffing budget is utilized at 58%.

Preliminary Engineering phase outlays of \$1.5M are 101% of the Adopted 2013 YTD budget.

Section V – Agency Staff Expenses

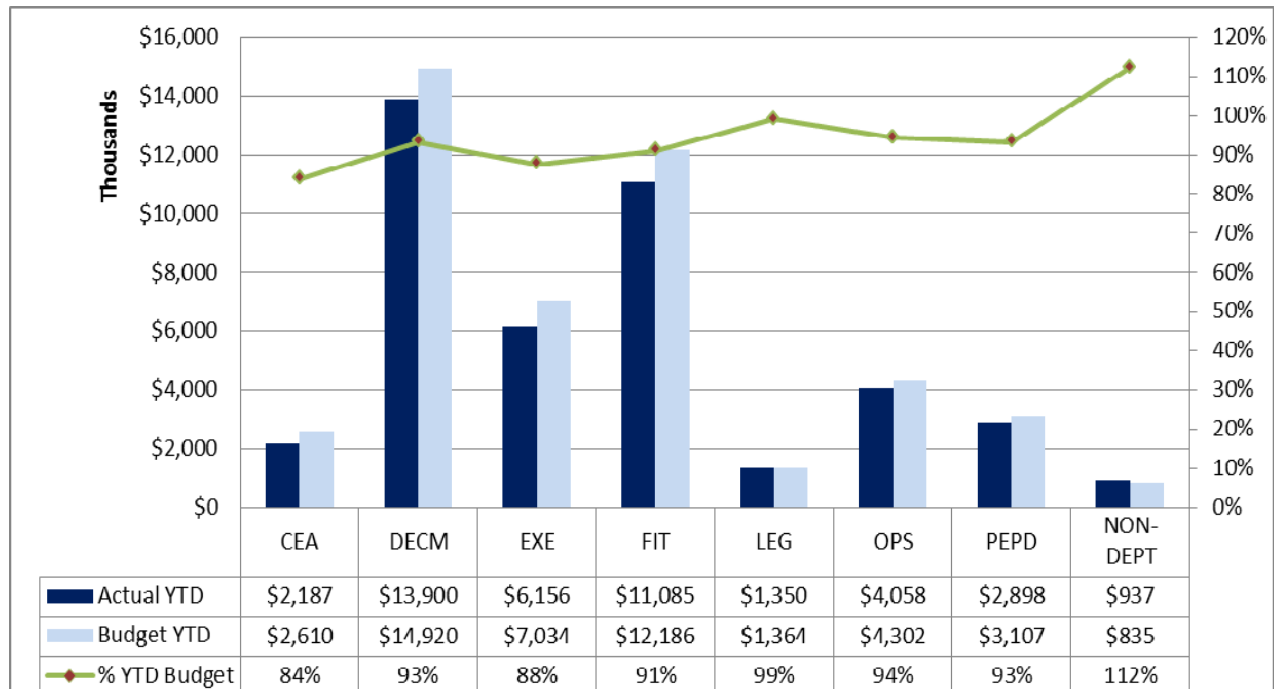
Agency Staff Operating by Category as of June 30, 2013

Staff Operating Expenses (\$Thousands)	Q1 Actuals	Q2 Actuals	YTD 2013 Actuals	YTD 2013 Budget	YTD 2013 Budget Remaining	YTD 2013 % of Budget
Salaries and Benefits	15,700	16,250	31,950	32,603	653	98%
Services	1,636	3,124	4,760	7,139	2,379	67%
Materials and Supplies	317	336	653	809	156	81%
Insurance	584	630	1,214	1,289	75	94%
Miscellaneous Expenses	317	548	865	1,344	479	64%
Leases & Rentals	906	839	1,745	1,945	200	90%
Other Expenses	202	245	447	394	(53)	113%
Depreciation & Amortization	463	475	938	835	(103)	112%
Staff Operating Expenses	\$ 20,125	\$ 22,447	\$ 42,572	\$ 46,358	\$ 3,786	92%
Agency Admin Allocations	(13,611)	(14,921)	(28,532)	(32,524)	(3,992)	88%
Total Staff Operating Expenses	\$ 6,514	\$ 7,526	\$ 14,040	\$ 13,834	\$ (206)	101%

Staff Operating Expense Notes

Total Agency staff costs are 3.8M or 8% below budget. The primary factor contributing to this variance is for service contracts which are \$2.4M or 33% below budget. Service contracts include computer software and hardware maintenance and licensing, marketing contracts, temporary professional contracts and auditing services. The timing in the use of these services is occurring later in the year than planned. Salary and benefit costs are running two percent under budget.

Agency Department Expenses as of June 30, 2013



As the graph illustrates, all operating departments except non-departmental are running under budget through second quarter of 2013.

Staffing Plan by Department as of June 30, 2013

AGENCY ADMINISTRATION	2013 Staffing Plan	Filled Positions	Open Positions
Communications and External Affairs	31.00	30.00	1.00
Design, Engineering & Construction Mgmt	216.00	193.00	23.00
Executive	95.00	86.00	9.00
Finance & Information Technology	118.00	104.00	14.00
Legal	17.00	17.00	0.00
Operations	66.00	60.00	6.00
Planning, Environment & Project Dev	49.00	41.00	8.00
Agency Administration Total	592.00	531.00	61.00
SERVICE DELIVERY			
IT Transit Systems	12.00	8.00	4.00
OPS Central Link Light rail	7.00	5.00	2.00
OPS Sounder	5.00	3.00	2.00
OPS ST Express	3.00	3.00	0.00
OPS Tacoma Light rail	19.00	19.00	0.00
Service Delivery Total	46.00	38.00	8.00
Total Sound Transit Staff	638.00	569.00	69.00

Total Sound Transit staffing finished second quarter with 69 vacant positions and quarterly vacancy rate of 10%. Specifically for June the staffing plan increased by ten as the ST3 mid-year positions were added.